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IN THE
SUPREME COURT OF THE
UNITED STATES
October Term, 1971
No._____

PEARL ROSNER,
Petitioner,
vs.
DUCHESS MUSIC CORPORATION, et al.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

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PETITION FOR CERTIORARI

Petitioner, PEARL ROSNER, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit entered in the above case on March 13, 1972.

OPINIONS BELOW

The opinion of the District Court for the District of Arizona is unreported and is noted herein as Appendix A.

The opinion of the Court of Appeals for the Ninth Circuit is Slip No. 71-1854.

The order denying rehearing and rejecting a hearing in banc is Slip No. 71-1854.

JURISDICTION

The judgment of the Court of Appeals for the Ninth Circuit was made and entered on March 13, 1972, and copies thereof are appended to this petition in the Appendix B. The jurisdiction of the District Court was based on 28 U.S.C. §1338(a). The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1):

> By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree.

QUESTIONS PRESENTED FOR REVIEW

1. Whether duplicators come within the definition of "any other person" and accordingly have a statutory right to use the Compulsory License provision of the Copyright Act (17 U.S.C. §1(e) conditioned upon compliance with its provisions and the

payment of statutory royalties.

2. Whether denying duplicators the right to use the Compulsory License provision of the Copyright Act (17 U.S.C. §1(e) violates the Equal Protection Clause of the Fourteenth Amendment as incorporated into the Fifth Amendment in Balling v. Sharpe, 347 U.S. 497 (1954), and also violates procedural due process of law.

3. Whether only articles containing an identifiable impression of the copyrighted work may be seized under the impounding and seizure provisions of the Copyright Act (17 U.S.C.§§101 (c), 101(d)).

CONSTITUTIONAL AND STATUTORY PROVISIONS

This case involves the following constitutional and statutory provisions:

1. Article I, §8, Clause 8 of the Constitution of the United States, which provides as follows:

> "The Congress shall have power. . . To promote the progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and

Discoveries."

2. Fifth Amendment to the Constitution of the United States, which provides as follows:

> "No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without dur process of law; nor shall private property be taken for public use, without just compensation.

3. The Fourteenth Amendment to the Constitution of the United States, which provides as follows:

SECTION I. "All persons born or naturalized in the United States,

and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

4. Title 17, United States Code, §(1)e which reads in relevant part,

"And as a condition of extending the copyright control to such mechanical reproductions, that whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work, any other person may make similar use of the copyrighted work, upon payment to the copyright proprietor of a royalty of 2 cents on each such part manufactured, to be paid by

the manufacturer thereof . . ."

5. Title 17, United States Code, §101(e) which reads in relevant part,

"Provided, also, that whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition . . . relying upon the compulsory license provision of this title, he shall serve notice of such intention. . . upon the copyright proprietor . . .

6. Title 17, United States Code, §101(c) provides that an infringer shall be liable: (Impounding During Action)

" -- To deliver up on oath, to be impounded during the pendency of the action, upon such terms and conditions as the court may prescribe, all articles alleged in infringe a copyright;

7. Title 17, United States Code, §101(d) provides that an infringer shall be liable: (Destruction of Infringing Copies and Plates)

" -- To deliver up on oath for destruction all the infringing

copies or devices, as well as all plates, molds, matrices, or other means for making such infringing copies as the court may order.

8. Title 28, United States Code, §1338(a) provides:

"The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

9. Title 28, United States Code, §1254, Subsection (1) provides:

"By writ of certiorari granted upon the petition of any party to a any civil or criminal case, before or after rendition of judgment or decree.

STATEMENT OF THE CASE

Respondents, owners of numerous copyrights to musical compositions brought this copyright infringement suit against Petitioner, Pearl Rosner and others arising

out of the manufacture and sale of tape recordings serving to reproduce mechanically Respondents' copyrighted works. Respondents obtained an ex parte order to show cause, a temporary restraining order and a writ of seizure from the District Court against Petitioner and others. Pursuant to this seizure, the marshal seized and impounded 25,000 completed tape recordings and master recordings, which serve to reproduce mechanically Respondents' copyrighted musical compositions: blank tapes and cartridges, printed labels; machinery used to transfer the sounds onto the blank tape; packaging and promotional materials; and other equipment and machinery utilized in the manufacturing process. Subsequently Respondents filed the appropriate bond.

Petitioner appeared and objected to the seizure order.

Prior to the hearing on the preliminary injunction, Petitioner, PEARL ROSNER, filed her Notice of Intention to Use Respondents' copyrighted works pursuant to the Compulsory Licensing Provisions of the Copyright Act 17 U.S.C. §1(e) and §101(e). Accordingly, she

contended that since she had filed the Notice of Intention to Use under 17 U.S.C. §§1(e) and 101(e), injunctive relief would be inappropriate. Petitioner also objected to the scope of the seizure on the ground that the statutory authority and all the Supreme Court rules implementing that authority contemplate the seizure and impoundment only of items of ". . . such nature that they would be the last item of identifiable character used to make an infringing copy."

The District Court agreed with Petitioner on both counts. It ordered the return of all ". . . tape recording equipment and machinery, as well as . . . all blank tapes, cartridges, cassettes, labels or any unmarked or unprinted packaging materials." The District Court also held that Petitioner could use the compulsory license scheme. Finally, the Court determined that Petitioner had timely file her Notice of Intention to Use.

The District Court later amended its order, nunc pro tunc, to allow an appeal under 28 U.S.C. §1292(b). Also, the Court stayed its order pending the outcome of

the appeal to the Court of Appeals.

The Ninth Circuit Court of Appeals, in a 2-1 decision, reversed the District Court. The majority opinion held that all items seized, including those capable of innocent use, were properly impounded. It directed that all material and machinery seized continue to be impounded pending the hearing on the merits. The majority also held that Petitioner could not take advantage of the compulsory license provision because she duplicated Respondents' copyrighted compositions, thus not making "similar use" of them. Duplicating was held to be clearly outside the scope of the compulsory license system. The majority did not reach the issue of the timeliness of Petitioner's filing of the Notice of Intention to Use.

The dissent argued that Petitioner, although she was a duplicator, was not a pirate because she had filed a Notice of Intention to Use. Based on the legislative history of the 1971 Amendments, H.R. 92-487, and the views of Professor Nimmer, the leading commentator on the subject, he argued that a duplicator complying with the compulsory license scheme is not an infringer

under the Act.

The same panel on April 26, 1972 denied PEARL ROSNER'S petition for rehearing and a rehearing in banc, Appendix C. Subsequently, Petitioner made a motion for a stay of the mandate which the panel granted on May 4, 1972, which herein is Appendix D.

REASONS FOR GRANTING WRIT OF CERTIORARI

I

THE DECISION OF THE NINTH CIRCUIT COURT OF APPEALS IN THIS CASE IS IN DIRECT CONFLICT WITH PREVIOUS DECISIONS OF THE UNITED STATES SUPREME COURT.

The Ninth Circuit Court of Appeal by its decision denies petitioner the right to copy, because as is stated:

> "Rosner admits that she duplicates appellants' copyrighted compositions. She does not make 'simiar use' of them, she makes exact and identical copies of them."

The Court held that:

> "This is clearly outside the scope of the compulsory license scheme."

In contrast to this decision is a

growing trend within the judiciary which greatly favors an expanded right to copy. This tendency has received the approval of the Supreme Court of the United States.

This Court expanded the right to copy in two companion cases, Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) and Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964). To understand the breadth of this right, one need only sample several quotations from these landmark cases.

> "What Sears did was to copy Stiffel's design and to sell lamps almost identical to those sold by Stiffel. This it had every right to do under the Federal Patent Laws. That Stiffel originated the pole lamp and made it popular is immaterial." Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 231 (1964).
>
> "But if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will." Compco Corp. v. Day-Brite Lighting,

Inc., 376 U.S. 234, 238 (1964).

The statement of Compco reiterates the position of Petitioner in this case whereby the payment of the statutory royalty under §1(e) of Title 17 of the U.S.C. permits petitioner to freely copy respondents' musical compositions at will.

One of the latest leading cases in point from the Supreme Court in this area, Fortnightly Corp. v. United Artists Television, Inc., 392 U.S. 390 (1968) is also consistent with the holding of the District Court in this case. In denying any copyright infringement, this Court held that a community antenna television system although copying a copyrighted non-dramatic literary work and dramatic work, did not encroach any copyright because copying was not performed under §1(c) or (d) of the Copyright Act, (17 U.S.C. §1(c)(d)). Just as copying is not an infringement under (c) and (d) so also copying is not an infringement under 1(e). In fact, the case at hand is even a stranger one that Fortnightly Corp. in Fortnightly, the Petitioner had not complied with the license Provisions of the Copyright Act whereas ROSNER has sought to

comply with all such requirements. A major issue in this case is that the Ninth Circuit will not allow ROSNER to comply.

Here ROSNER has filed her Notice of Intention to Use the copyrighted materials of the Respondent publishing companies. Additionally, the license granted under the Compulsory License Provision is not exclusive as were the licenses in Fortnightly Corp. Thus, under the doctrine of Fortnightly Corp., there is by far a greater basis for permitting Petitioner to copy the compositions in question.

And yet, in spite of the great weight of authority, the Ninth Circuit has held that Petitioner may not use the Compulsory License scheme. It denied Petitioner this right because she was a "duplicator". This interpretation is contra Sears, Compco, and Fortnightly Corp.

The Ninth Circuit attempted to distinguish Sears, and Compco and the other cases cited in Petitioner's brief by stating that the rights protected in these cases were not protected by copyright. However, the Court failed to see that that very assertion applies to the facts at hand.

II

THE DECISION OF THE COURT BELOW IS IN DIRECT CONFLICT WITH THE DECISION RENDERED IN THE SECOND CIRCUIT COURT OF APPEAL WITH RESPECT TO THE IMPOUNDING AND SEIZURE PROVISIONS OF THE COPYRIGHT ACT.

The Lower Court held that the impounding and seizure provisions of the Copyright Act (17 U.S.C. §101(c), (d) permit the seizure of items capable of innocent use. The prior reported decisions in this area have only permitted seizures of articles which have an identifiable impression of the copyright work. Miller v. Goody, 139 F. Supp. 176 (S.D. N.Y. 1956) rev'd on other grounds sub. nom. Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2nd Cir. 1957).

It should be noted that under the court's order there is no indication that the the petitioners' recording equipment or machinery was, or could have been seized or impounded.

Accord, Runge v. Lee, 161 U.S. P. Q. 770 (C.D. Calif. 1969).

The opinion of the Ninth Circuit Court of Appeals did not cite a case to the

contrary, i.e. one that specifically ordered the seizure of items capable of innocent use and is in direct conflict with a decision of the Second Circuit Court of Appeals.

III

OTHER CIRCUIT COURTS HAVE HELD THE COMPULSORY LICENSING PROVISIONS OF THE COPYRIGHT ACT AVAILABLE TO DUPLICATOR-MANUFACTURERS.

There is a direct conflict between the Ninth Circuit Court of Appeals and the Second Circuit Court of Appeals in regard to the availability of the Compulsory Licensing Provision of the Copyright Act to duplicator-manufacturers.

Contrary to the holding in the Court below, the case of Miller v. Goody, 139 F.Supp. 176 S.D. N.Y. (1956) which later was appealed and became Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 upheld the right of a duplicator-manufacturer to invoke the Compulsory Licensing Provisions of the Copyright Act.

IV

THE DECISION OF THE COURT BELOW IS CONTRARY TO THE POLICY OF THE FEDERAL COPYRIGHT LAW IN THAT THE DECISION WOULD CREATE MUSIC MONOPOLIES AND GRANT COPYRIGHT PROTECTION IN PERPETUITY.

Article I, § 8, Clause 8 of the Constitution provides that Congress may establish a patent and copyright law. Congress has done so, and uniform national standards have been established to permit free competition in the field of musical composition.

Congress, in deciding what protection to give to musical recordings, has chosen to emphasize free competition. The overriding concern of Congress in the enactment of a copyright law for musical compositions (17 U.S.C. §1(e)) was to avoid a great "music monopoly" (Shapiro, Bernstein & Co. v. Remington Records, Inc., 265 F.2d 263, 269-70 (2nd Cir. 1959) while at the same time granting certain limited protection to composers. To accomplish these purposes, Congress adopted a scheme for compulsory licensing on the payment of a fee of two

cents per copy. Thus, Congress has determined that the interest of the public in free competition and the broad dissemination of music outweighs the composer's interest in maximum commercial exploitation.

The justification of the Court below for rejecting the Congressional choice is that:

> "Rosner admits that she duplicates appellants' copyrighted compositions. She does not 'make 'similar use' of them, she makes exact and identical copies of them."

This is a true statement, but it is hardly a justification for the refusal of the Court to protect the rights of the public, as all manufacturers who make records and tapes do just exactly what the court is objecting to. How can the Congressional policies be given effect if competitors are not allowed to compete? In fact, is not the discouragement of competition the very antithesis of the Congressional policy in this area? The Ninth Circuit's frustration of clearly expressed congressional intent demands rectification.

The decision of the court below is also contrary to the limitation stated in the Constitution that patent and copyright protection shall be granted for limited times only.

Article I, §8, Clause 8 of the Constitution provides that Congress may grant protection to authors and inventors for limited times only. The Court by its decision gives the authors and publishers rights in their musical compositions forever contrary to the said Constitutional Provision.

V

IMPORTANT QUESTIONS OF PETITIONERS' CONSTITUTIONAL RIGHTS ARE RAISED BY THE LOWER COURT'S DECISION.

There is no question that the Court of Appeals' decision denies Petitioner the equal protection of the law when it held that a duplicator cannot use the Compulsory License scheme. Bolling v. Sharpe, 347 U.S. 497 (1954) held that the equal protection clause of the Fourteenth Amendment is incorporated into the Fifth Amendment and can be applied to

Congressional legislation. The District Court first raised this issue in its decision when it said:

> "Stated otherwise, it would appear to be inconsistent in the least to allow plaintiffs to allege infringement under the Act, and then, on the other hand, selectively deny its applicability to defendants."

To deny Rosner the use of the Compulsory License Provision seems not only inconsistent but also unconstitutional. There is certainly no rational basis to exclude Petitioner from the class of persons able to use these provisions. It seems evident that Rosner complies with the requirement of "any other person" in §1(e) (17 U.S.C. §1(e)). Actually, any possible classification that would exclude manufacturers like Rosner would necessarily be discriminatory. The Court of Appeals' opinion did not contain rational basis for excluding manufacturers like Rosner.

VI

ECONOMIC AND COMMERCIAL WASTE CAN BE AVOIDED ONLY BY GRANTING CERTIORARI.

An entire portion of the music industry, servicing millions of American citizens with tape recorded music at low cost will be forced into oblivion by permitting the Ninth Circuit Court of Appeals' decision to stand.

Not only would low cost music be unavailable to the masses, but on the contrary it would create great music trusts which would go unchecked because of the lack and complete destruction of all competition in the field.

CONCLUSION

It is therefore respectfully submitted that A Writ of Certiorari should be granted in this case.

Respectfully submitted,

MILLSTONE AND AXEL
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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

DUCHESS MUSIC CORPORATION, et al., Plaintiffs, vs. MARTIN STERN, et al., Defendants.	No. Civ. 71-190 Phx. WPC MEMORANDUM AND ORDER AMENDED NUNC PRO TUNC

This action was initiated by a number of music publishing companies seeking to permanently enjoin the unauthorized manufacture and sale of tape recordings which serve to mechanically reproduce many of their copyrighted works. In attacking this practice referred to in the trade as "bootlegging", "disklegging" or "pirating", the publishing companies invoke jurisdiction under section 1 et seq. of the Copyright Act [hereinafter referred to as the Act], 17 U.S.C. § 1 et seq., and in addition to an injunction against further infringement ask damages for past infringement from both defendant manufacturers and retailers.

Capitol Records, Inc. (Capitol) and RCA Records, a Division of National Broadcasting Company, Inc. (RCA), joining as plaintiffs in a first amended complaint, invoke diversity jurisdiction for their second and third claims in which they seek damages based on theories of unfair trade practice and unfair competition. In their first claims, Capitol and RCA also seek an injunction against further piracy, but other than alleging that they are exclusive licensees under certain of the copyrighted compositions, allege no basis for jurisdiction as to those claims.

The affidavit of Robert C. Osterberg filed in support of the application for an injunction and writ of seizure documents the publishers' attempts to discover the location of the defendants' highly mobile and clandestine "bootlegging" operation. Exhibits attached to Osterberg's affidavit reflect the professional quality of the package presented to the public and the organized promotion thereof. The affidavit of Albert Berman, managing director of the Harry Fox Agency, Inc., the exclusive representative of all the plaintiff copyright

holders herein, describes the very real economic threat bootleg tape recordings pose to the music publishing and recording industries. The mechanical aspects of the reproduction are presumably similar to those described in Tape Industries Association of America v. Younger, 316 F.Supp. 340 (C.D. Cal. 1970).

Presented with this impressive showing of an organized and flourishing yet highly mobile business operation, this Court, concurrent with the filing of the original complaint, issued a temporary restraining order ex parte and authorized the issuance of a writ of seizure directed at the defendant's manufacturing process. Subsequent to the issuance of the restraining order and writ of seizure defendant Rosner, pursuant to that procedure prescribed by the compulsory license provision of the Act, 17 U.S.C. §101(e), and with respect to those works allegedly infringed, caused a "notice of intention to use" to be sent to the copyright proprietors and the copyright office. At a show cause hearing on April 6, 1971, argument respecting the seizure and the issuance of a preliminary injunction

was heard. At that time the matter was taken under advisement.

Faced at the outset with what can only be termed anachronistic legislation, this Court is called upon to resolve certain ambiguities in the Act in deciding whether a preliminary injunction shall issue, and if so, the terms thereof. An examination of the motions and objections filed thus far by defendants reveals the particular issues now before the Court.

Defendant Rosner has filed a motion for return of property, having reference to that property seized and impounded pursuant to the order of this Court of March 26, 1971. Sections 101(c)[1/] and 101(d)[2/] of the Act and the rules of practice promulgated thereunder, 17 U.S.C.A. at page 276 et seq., were cited as authority for the seizure of "... any and all parts of instruments [tape recordings] serving to reproduce mechanically plaintiffs' copyrighted musical works and all means for making the same, [including] labels, cartridges, tape recordings and machinery utilized in the manufacturing process ... ." Order ... To Issue Writ Of Seizure for Impounding Articles ... at page 5. Defendants' basic contention is that

inasmuch as plaintiffs allege infringement of copyrighted musical compositions under conditions which Congress has specifically dealt with in sections 1(e) and 101(e) of the Act, the remedies provided by section 101(e) are exclusive.[3/] That is, since section 101(e) at most provides for an injunction and treble damages, impounding pursuant to section 101(c) is not proper.

Also with respect to the seizure and impounding, defendant Rosner alternatively argues that neither under the Act nor the rules promulgated thereunder is there authority to seize and impound the machinery and equipment listed on Exhibit B of her motion. The argument is basically that section 101(c) (all articles alleged to infringe) and rules 3 and 4 promulgated thereunder (infringing copies, records, plates, molds, matrices or other means for making such infringing copies) only contemplate the seizure and impounding of items which are of "... such a nature that they would be the last item of identifiable character used to make an infringing copy." Memorandum in Support of Motion For Return Of Property at page 7.

Insofar as the issuance of a preliminary

injunction is concerned, the manufacturing defendants dontend that since they have now complied with the compulsory license provision of the Act, no further restraint may be imposed on their duplicating. Plaintiffs deny the availability of the compulsory license provision to duplication of the recordings of licensees of the copyright proprietors.

THE SEIZURE

The early leading cases discussing the remedies of the Act are of little value in resolving the specific question of whether those remedies provided by section 101(e) are exclusive in cases of unauthorized mechanical reproduction of musical works. In Globe Newspaper Co. v. Walker, 210 U.S. 356 (1908), a decision pre-dating the extensive 1909 amendments, the United States Supreme Court held that the Act provided damages for the infringement of a copyrighted map and "... the remedies therein given are the only ones open to those seeking the benefit of the statutory right thereby created." 210 U.S. at 363. More in point, in Universal Film Manufacturing Co. v. Copperman,

206 F. 69 (S.D. N.Y. 1913), a writ of seizure was contested. Upholding the constitutionality of the impounding, the court stated at 70:

> Congress evidently intended under section 25 [now section 101] to give a very summary remedy to the copyright owner in the first instance, and the Supreme Court by its rules thought it sufficient to protect the interests of the parties, respectively by requiring bonds adequate in amount and with sufficient sureties, all questions on the merits to be subsequently determined in the usual way. ...

Neither Globe nor Universal, however, deal with infringement of musical compositions by mechanical means.

Similarly, in none of the cases cited by plaintiffs in support of their writ of seizure was there an alleged infringement of musical compositions where (1) the composer had given initial consent to record and (2) the infringement was by use of the copyrighted composition upon the parts of instruments serving to reproduce the work mechanically. See Foreign & Domestic Music Corp. v. Licht, 196 F.2d 627 (2nd Cir. 1952); Universal Pictures Co. v. Schaeffer, 140 U.S.P.Q. 17 (E.D. Pa. 1963);

Dorchester Music Corp. v. National Broadcasting Co., 171 F.Supp. 580 (S.D. Cal. 1959); Universal Film Manufacturing Co. v. Copperman, supra. That is, in none of those cases were the compulsory license and mechanical reproduction provisions of sections 1(e) and 101(e) invoked as a basis for the infringement action, as was done in the case at hand.

The case of Miller v. Goody, 125 F.Supp. 348 (S.D. N.Y. 1954), presents the most extensive analysis on the question of whether sections 101(c) and 101(d) are applicable when sections 1(e) and 101(e) are invoked as the basis of the complaint. In that infringement action the district court on a motion for default judgment first determined at 351 that:

> The remedies possessed by a copyright proprietor in the event of an infringement by means of phonograph records appear to be limited to the remedies provided in sub-section (e) of this Section, i.e., that an injunction may be granted upon such terms as the Court may impose and that the plaintiff shall be entitled to recover ... a royalty ... which may be tripled ... .
>
> The provisions of subsection (d) [destruction] ... do not appear to

be applicable to cases in which the violation of copyrights consists of the use of mechanical reproduction of musical works. (Emphasis added).

The court in Goody nevertheless did impound the infringing articles, stating: " ... I believe that it is within my power, as a matter of discretion, under subsection (e) of Section 101 Tit. 17, to include in the injunction a provision that the [infringing articles] be impounded ..." until the default decree is satisfied. 125 F.Supp. at 351.

Therefore, the impounding in Goody was affected through the court's express power to enjoin under section 101(e) and not under the authority of sections 101(c) and 101(d). In the case at hand the impounding was expressly based on sections 101(c) and (d) and not even alternatively on the court's equity jurisdiction under section 101(e). For the reasons to be discussed below, however, this Court does not find the Goody rationale compelling.

There is no doubt that in enacting what is now section 101(e), Congress was establishing a particular remedy for a particular problem:

"Subsection (e) deals with the

> mechanical reproduction of music where such reproduction is authorized, and further provides that in the absence of a license agreement the person who intends to mechanically reproduce a copyrighted musical composition shall give notice of such intention to the copyright proprietor, and provides for damages in case of his failure to do so." H.R. Rep. No. 2222, 60th Cong., 2nd Sess. 16 (1908-1909).

That is not to say, however, that the impounding and destruction provisions which are now sections 101(c) and (d) were not to be applied in cases of infringement of copyrighted musical compositions by mechanical reproduction. In fact, the legislative history of the Act, meager as it is, would indicate otherwise:

> "Subsections (c) and (d) constitute new legislation, but it is believed that some legislation of the kind is necessary in dealing with infringers." H.R. Rep. No. 2222, supra at 16 (emphasis added).

From the above, then, it is arguable that in enacting the predecessors of sections 101(c) and (d) Congress was attempting to deal with infringers in general.

Viewing section 101 on its face, this Court is led to the same conclusion. The various subsections are listed

conjunctively. The section's introductory paragraph negates the notion of exclusivity.[4/] Furthermore, section (e) is specifically captioned "Royalties for use of mechanical reproduction of musical works" (emphasis added) and, by force of this express categorization, any exclusivity of subsection (e) is related solely to the measure of damages in cases of unauthorized mechanical reproduction of musical works. See Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2nd Cir. 1957).

An examination of the rules adopted by the Supreme Court to implement and govern the remedies provided by section 101 leaves a similar distinct impression that all infringers could be subject to those subsections authorizing impounding and destruction.

Most significant to this Court, however, is the illogic of the proposition that Congress would sanction seizure and impounding in all cases of infringement except those involving mechanical reproduction of copyrighted musical compositions. Congress may have been dealing with a special case in providing compulsory licensing and treble damages in section 101(e), but there is no

indication in the Act's legislative history or otherwise that infringement of the sort practiced by defendants be afforded preferential treatment by immunizing such defendants from having infringing articles in their possession seized, impounded and ultimately destroyed.

Interpreting the Act as to authorize a seizure and impounding where the action is based on sections 1(e) and 101(e), does not eliminate the question of what exactly may be seized. As noted above, this Court directed the Clerk to issue a broad writ of seizure. Not only were those tapes containing unauthorized reproductions of plaintiffs' copyrighted works seized, but also " ... all means for making the same, comprehending labels, cartridges, tape recordings and machinery utilized in the manufacturing process."

Although the court in Miller v. Goody, supra, impounded pursuant to its equitable power to enjoin under section 101(e), it loosely used some of the terminology of section 101(c) and the rules of practice when it listed the articles to be impounded:

> "[M]atrices, plates, molds, stamps, discs, tapes, and other matter upon which the copyrighted musical

> compositions may be recorded or transcribed, or from which the parts serving to reproduce mechanically said copyrighted musical compositions may be made... ." 125 F.Supp. at 351.

In a later companion case, Miller v. Goody, 139 F.Supp. 176 (S.D. N.Y. 1956), rev'd on other grounds sub nom. Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2nd Cir. 1957), the court at 179 described what was actually taken:

> Krug was ordered to turn over to the Special Master all the materials with which he had made the infringing records ... .

And after a stipulation of settlement:

> Krug turned over to the plaintiffs all the material with which he had manufactured, labeled and jacketed the recordings ... .

Inasmuch as the court in Goody impounded pursuant to section 101(e), an avenue this Court has not deemed necessary to take, it is not necessary to comment on the scope of that court's order. Nevertheless, it can be noted that even under the Goody court's liberally worded order there is no indication that the defendant's recording equipment or machinery was, or could have

been, seized and impounded.

Section 101(c) merely provides that, during the pendency of the imfringement action, the court may impound " ... all articles alleged to infringe." (Emphasis added) Section 101(e) envisions a more drastic remedy - eventual destruction - and more comprehensively catalogues the items which may be impounded:

> [A]ll the infringing copies or devices, as well as all plates, molds, matrices, or other means for making such infringing copies ... .

The rules of practice implementing sections 101(c) and (d), with one exception, use terminology similar to that of section 101(d).[5/]

While recognizing that this ambiguous language admits of several interpretations, this Court can only conclude that the most reasonable one precludes the seizure and impounding of defendants' tape recording machinery and equipment. Application of the rule of ejusdem generis requires that the phrase "or other means of making such infringing copies" be held to apply only to the same general class as are those items specifically enumerated in the phrase immediately preceding, and each of the

preceding enumerated items - plates, molds, matrices - is of such a particular character as to embody, as defendant suggests, an identifiable impression of the copyrighted work.

Furthermore, if eventual destruction is one of the purposes of impounding, see Jewelers' Circular Publishing Co. v. Keystone Publishing Co., 274 F. 932 (S.D. N.Y. 1921), this Court can conceive of no rationale within the wording of the Act which would justify destruction of any property usable for other, non-infringing purposes.

In view of the construction rendered above, defendants are entitled to the return of their tape recording equipment and machinery, as well as to all blank tapes, cartridges, cassettes, labels or any unmarked or unprinted packaging materials. On the other hand, all property which either embodies a mechanical and/or electronic impression of plaintiff publishers' copyrighted works or any packaging or promotional devices identifying or referring to same are still subject to impoundment.

THE INJUNCTION

Before this Court can pass on the merits of the application for a preliminary injunction and the possible terms thereof, it is necessary to consider certain issues relating to the compulsory license feature of the Act. As noted defendant Rosner, after initiation of the action filed a "notice of intention to use" thereby declaring her intention to continue the manufacture of tapes by the same reproducing methods used in the past. Plaintiffs, however, would first contend that the compulsory license provision is not available to a duplicator of the recordings of the licensees of the copyright proprietors.

In Aeolian Co. v. Royal Music Roll Co., 196 F. 926 (W.D. N.Y. 1912), a piano roll manufacturer having a license to use certain copyrighted musical compositions on its perforated rolls sought an injunction under the Act against a competitor who was copying and duplicating its rolls. The court, in discussing the compulsory license provision, noted at 927:

> The provision of the statute (section 1e) that "any other person may make similar use of the copyrighted work" becomes automatically operative by

> the grant of the license; but the subsequent user does not thereby secure the right to copy the perforated rolls or records. He cannot avail himself of the skill and labor of the original manufacturer of the perforated roll or record by copying or duplicating the same, but must resort to the copyrighted composition or sheet music, and not pirate the work of a competitor who has made an original perforated roll. (Emphasis added)

Accordingly, in attempting to afford the licensee a remedy against piracy of this kind, the court concluded that not only the copyright owner but also its licensee, alone, could invoke the general injunction provision of the Act against such practice.

Although Aeolian has never been expressly overruled, it has been meagerly cited and severely criticized. First of all, sections 1(e) and 101(e) dictate that there be no exclusive licensee of the rights of mechanical reproduction. The Aeolian decision which would nevertheless allow a licensee to seek an injunction on such grounds is fundamentally incompatible with the above-mentioned compulsory license principle. Furthermore, "[i]f the [Aeolian] court's reasoning is right, the practical effect would be to give the licensee a

copyright in his record," Note, Piracy on Records, 5 Stan. L. Rev. 433, 445 (1953), something Congress has not seen fit to do. E.g., Capitol Records, Inc. v. Mercury Records Corp., 221 F.2d 657 (2nd Cir. 1955).

Nevertheless, plaintiffs would argue that Aeolian's rationale condemning the practice of a subsequent manufacturer appropriating the labor and skills of a competitor by duplicating the latter's product is significantly similar to and compatible with certain common law rules of unfair competition which would prohibit such duplicating or pirating. By this approach they would have the Court infer that the manufacturing defendants are not entitled to avail themselves of the compulsory license feature of the Act. But this point only serves to illustrate another woeful inadequacy of the present copyright legislation. Copyright plaintiffs seek injunctive relief exclusively under the Act and not under any theory of unfair competition or unfair trade practice and, under the Act, Congress has not differentiated between a subsequent manufacturer who imitates another manufacturer's product and one who merely duplicates or appropriates the

product with little or no investment of skill, talent or money.

In Miller v. Goody, 139 F.Supp. 176 (S.D. N.Y. 1956), rev'd on other grounds sub nom. Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2nd Cir. 1957), the court at 177 expressly recognized the bootlegger's or pirate's right to avail himself of the compulsory license provision of the Act:

> Krug was entitled to manufacture recordings of these selections provided he filed notice of his intention to do so, and provided he paid the copyright proprietors a royalty of 2 cents for each record manufactured.

One commentator, in scrutinizing the implications of the above-quoted passage, has succinctly described the dilemma posed - a dilemma which cannot be circumvented by relying on the Aeolian decision, as plaintiffs have attempted to do:

> "The language of the Copyright Act would seem to include Krug, the pirate, as a member of that class of subsequent manufacturers favored by the lenient compulsory licensing provisions. But to follow the ... court in actually regarding him as such results in the hopeless paradox of granting statutory privileges vis-a-vis the copyright holder at the same time

that the dictates of common sense and common law demand penalty vis-a-vis the performer and the recorder." 13 Rut. L. Rev. 365, 367 (1958).

Stated otherwise, it would appear to be inconsistent in the least to allow plaintiffs to allege infringement under the Act and then, on the other hand, selectively deny its applicability to defendants.

Plaintiffs would alternatively argue that, in any event, filing has come too late in the instant action. That is, the preliminary injunction should issue despite the fact that defendants have filed notices to use because such filing as is required by section 101(e) applies only to prospective manufacturers of new recordings. Memorandum In Support of Plaintiffs' Application For Preliminary Injunction at page 7 et seq. The cases plaintiffs cite to the point, however, do nothing to support their proposition. Shapiro, Bernstein & Co. v. Remington Records, Inc., 265 F.2d 263 (2nd Cir. 1959); Leo Feist, Inc. v. American Music Roll Co., 251 F. 245 (3rd Cir. 1918); Pickwick Music Corp. v. Record Productions, Inc., 292 F.Supp. 39 (S.D. N.Y. 1968). In each of the above cases the defendants

attempted to use the belated filings as a defense to their prior infringement. In each instance the courts had little trouble disposing of this transparent tactic. In the case at hand, however, plaintiffs for all practical purposes admit past infringement and do not seek to use their belated filing as a defense thereto. Rather, they seek to take advantage of the compulsory license provision for future manufacturing. Even if, as plaintiffs contend, both the district court in Miller v. Goody, 125 F. Supp. 348 (S.D. N.Y. 1954), and the defendants at hand have misconstrued the holding of G. Ricordi & Co. v. Columbia Gramaphone Co., 263 F. 354 (2nd Cir. 1920), see Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260, 264-65 (2nd Cir. 1957), there is still no authority that would affirmatively deny defendants the right to now file and invoke the compulsory license provision.

Both Capitol and RCA in their respective first claims also seek an injunction against the defendant manufacturers and retailers and base their request on the fact that they are exclusive licensees under certain of the copyrights in question. As exclusive licensees they maintain they have the sole right

to manufacture and market recordings of those musical works. No evidence was presented or argument heard on those claims at the show cause hearing of April 6, 1971. Aside from the serious reservations this Court maintains with regard to the basis of such a claim of exclusive rights, as expressed previously in the discussion of the Aeolian case, the Court notes that plaintiffs Capitol and RCA have failed to allege any grounds of jurisdiction for the issuance of an injunction. That is, they specifically ask only for damages in their second and third claims on theories of unfair competition and unfair trade practice, and specifically invoke diversity jurisdiction for those claims. However, they specifically do not allege jurisdiction under the Act for their first claims; neither do they invoke diversity jurisdiction for those claims.

Accordingly, as to Capitol and RCA's first claims in which they seek injunctive relief against further piracy and retailing of pirated works, both a highly questionable basis for the claims and a failure to assert jurisdiction for the same preclude those recording companies from at this time

partaking of any equitable relief afforded the copyright holder plaintiffs. The Court does not mean by this to hold that by proper application or prayer under the second and third claims a temporary restraining order or preliminary injunction may not issue.

Turning to the question of a preliminary injunction in favor of the copyright holder plaintiffs, this Court must determine, in view of what has already been said, whether such relief is appropriate.

As to the alleged infringement, plaintiffs, if they prevail on the merits, are entitled to statutory damages against both manufacturers and retailers. Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2nd Cir. 1957). There is no serious doubt that plaintiffs will prevail on the merits. The fact is, defendants do not really contest the allegation of infringement, as both their memoranda submitted thus far and oral argument at the show cause hearing clearly indicate. They are content to settle damages for past infringement as long as they can take advantage of the gaping loopholes in the Act and continue their manufacturing.

The record reveals that the writ of seizure yielded some 25,000 completed or recorded infringing tapes. Some 45,000 other completed tapes were left at defendants' manufacturing plant. Taking the 25,000 tapes seized with 12 infringed compositions per tape and tripling the 2 cent royalty due thereon, it can be calculated that damages to be assessed against the reproducing defendants may amount to at least $18,000. With proof of past sales to be presented at trial, the ultimate amount will probably be considerably larger.

Although this Court cannot, as it interprets the Act, prohibit future manufacture of the tape recordings, it can, in view of the suspect modus operandi evidenced by manufacturing defendants in the past, now require a close compliance with the compulsory license reporting provision. Accordingly,

IT IS ORDERED that plaintiffs return the tape recording equipment and machinery, as well as all blank tapes, cartridges, cassettes, labels or any unmarked or unprinted packaging materials seized and impounded pursuant to the writ of seizure dated March 26, 1971, to the persons from whom they were

seized.

IT IS FURTHER ORDERED that all other property seized which embodies a mechanical and/or electronic impression of plaintiff publishers' copyrighted works and any packaging or promotional devices or materials identifying or referring to same be subject to impoundment during the pendency of this litigation.

IT IS FURTHER ORDERED that all defendants and their respective agents, servants and employees, and all persons in active concert or participation with said defendants, shall be, and hereby are, restrained and enjoined, pending the final determination of this action, or further order of this Court, from directly or indirectly infringing the copyrighted musical works of plaintiffs by engaging in any unauthorized manufacture, sale, distribution, use, or transferrence of articles or parts of instruments serving to reproduce mechanically any of the copyrighted musical works of plaintiffs.

IT IS FURTHER ORDERED that $40,000.00 bond deposited with the Clerk on March 26, 1971, shall remain on deposit for the payments of such costs and damages as may

hereafter be found.

The Court is of the opinion that this order involves controlling questions of law as to which there is substantial ground for difference of opinion and that an immediate appeal from this order, as authorized by 28 U.S.C. §1292(b), may materially advance the ultimate termination of this litigation. WHEREFORE,

IT IS FURTHER ORDERED that all proceedings herein, and particularly the order for return of seized property, be stayed for ten (10) days from the date of entry of this order. If within such ten (10) days, the plaintiffs shall apply to the United States Court of Appeals for the Ninth Circuit for permission to appeal from this order, the proceedings herein and the order for return of seized property shall be stayed pending determination of such application or of the appeal, if it is allowed.

DATED April 29, 1971.

/s/ William P. Copple
United States District Judge

FOOTNOTES

1/ Section 101(c) provides that an infringer shall be liable:

--To deliver up on oath, to be impounded during the pendency of the action, upon such terms and conditions as the court may prescribe, all articles alleged to infrings a copyright;

2/ Section 101(d) provides that an infringer shall be liable:

--To deliver up on oath for destruction all the infringing copies or devices, as well as all plates, molds, matrices, or other means for making such infringing copies as the court may order.

3/ Section 1(e) reads:

To perform the copyrighted work publicly for profit if it be a musical composition; and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or of the melody of it in any system of notation or any form of

record in which the thought of an author may be recorded and from which it may be read or reproduced: Provided, That the provisions of this title, so far as they secure copyright controlling the parts of instruments serving to reproduce mechanically the musical work, shall include only compositions published and copyrighted after July 1, 1909, and shall not include the works of a foreign author or composer unless the foreign state or nation of which such author or composer is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States similar rights. And as a condition of extending the copyright control to such mechanical reproductions, that whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work upon the parts of instruments serving to reproduce mechanically the musical work, any other person may make similar use of the copyrighted work upon the payment to the copyright proprietor of a royalty of 2 cents on each such part

manufactured, to be paid by the manufacturer thereof; and the copyright proprietor may require, and if so the manufacturer shall furnish, a report under oath on the 20th day of each month on the number of parts of instruments manufactured during the previous month serving to reproduce mechanically said musical work, and royalties shall be due on the parts manufactured during any month upon the 20th of the next succeeding month. The payment of the royalty provided for by this section shall free the articles or devices for which such royalty has been paid from further contribution to the copyright except in case of public performance for profit. It shall be the duty of the copyright owner, if he uses the musical composition himself for the manufacture of parts of instruments serving to reproduce mechanically the musical work, or licenses others to do so, to file notice thereof, accompanied by a recording fee, in the copyright office, and any failure to file such notice shall be a complete defense to any suit, action, or proceeding for any infringe-

ment of such copyright.

In case of failure of such manufacturer to pay to the copyright proprietor within thirty days after demand in writing the full sum of royalties due at said rate at the date of such demand, the court may award taxable costs to the plaintiff and a reasonable counsel fee, and the court may, in its discretion, enter judgment therein for any sum in addition over the amount found to be due as royalty in accordance with the terms of this title, not exceeding three times such amount.

The reproduction or rendition of a musical composition by or upon coin-operated machines shall not be deemed a public performance for profit unless a fee is charged for admission to the place where such reproduction or rendition occurs.

Section 101(e) reads:

Royalties for use of mechanical reproduction of musical works. -- Whenever the owner of a musical copyright has used or permitted the use of

the copyrighted work upon the parts of musican instruments serving to reproduce mechanically the musical work, then in case of infringement of such copyright by the unauthorized manufacture, use, or sale of interchangeable parts, such as disks, rolls, bands, or cylinders for use in mechanical music-producing machines adapted to reproduce the copyrighted music, no criminal action shall be brought, but in a civil action an injunction may be granted upon such terms as the court may impose, and the plaintiff shall be entitled to recover in lieu of profits and damages a royalty as provided in section 1, subsection (e), of this title: Provided also, That whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition upon the parts of instruments serving to reproduce mechanically the musical work, relying upon the compulsory license provision of this title, he shall serve notice of such intention, by registered mail, upon the copyright proprietor at his last address disclosed by the records of the copyright office, sending

to the copyright office a duplicate of such notice; and in case of his failure so to do the court may, in its discretion, in addition to sums hereinabove mentioned, award the complainant a further sum, not to exceed three times the amount provided by section 1, subsection (e), of this title, by way of damages, and not as a penalty, and also a temporary injunction until the full award is paid.

4/ The introductory paragraph reads:

If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

5/ That exception is rule 9, which at 17 U.S.C.A., page 280, reads:

The defendant, if he does not except to the amount of the penalty of the bond or the sufficiency of the sureties of the plaintiff or complainant, may make application to the court for the return to him of the articles seized, upon filing an affidavit stating all material

facts and circumstances tending to show that the articles seized are not infringing copies, records, plates, molds, matrices, or means for making the copies alleged to infringe the copyright. (Emphasis added).

Office of the Clerk

United States Court of Appeals for the Ninth Circuit

H. S. Court of Appeals and Post Office Building

7th & Mission Streets, P.O. Box 547

San Francisco, California 94101

Re: No. 71-1854 DUCHESS MUSIC CORP. ET AL VS. PEARL ROSNER ETC.

Dear Sir:

An opinion in the above case was filed today, and pursuant to Rule 36 of the Federal Rules of Appellate Procedure a judgment was entered 3-13-72 Reversed and remanded.

the judgment or order of the court below (or administrative agency).

Under Rule 40 you have 14 days to file a petition for rehearing. Unless such a petition is filed or the court otherwise orders, the mandate will issue 21 days from today, Rule 41(a). A petition for rehearing must comply with Rules 32(b) and 40.

Very truly yours,

William B. Luck,
Clerk of Court

B-1.

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

DUCHESS MUSIC CORPORATION, JONDORA MUSIC PUBLISHING CO., LUDLOW MUSIC, INC., CROMWELL MUSIC, INC., ESSEX MUSIC, INC., HILL AND RANGE SONGS, INC., ANNE-RACHEL MUSIC CORP., ELVIS PRESLEY MUSIC, INC., BLUE SEAS MUSIC, INC., JAC MUSIC CO., INC., BLACKWOOD MUSIC, INC., CROMA MUSIC, INC., BIG SEVEN MUSIC CORP., EAST PUBLICATIONS, INC., COTILLION MUSIC, INC., AL GALLICO MUSIC CORP., DAMILA MUSIC, INC., FAT ZACH MUSIC, INC., U.S. SONGS, INC., GIDEON MUSIC, INC., TALMONT MUSIC CO.,INC., PARABUT MUSIC CORP., DOWNSTAIRS MUSIC COMPANY, DOUBLE DIAMOND MUSIC CO., ARC MUSIC CORP., TWENTIETH CENTURY MUSIC CORP., DON KIRSCHNER MUSIC, INC., LEO FEIST, INC., METRO-GOLDWYN-MAYER, INC., DONNA MUSIC LTD., SIQUOMB PUBLISHING CORP., SONGFEST MUSIC,INC., COMBINE MUSIC CORP., ACUFF-ROSE PUBLICATIONS, INC., MILENE MUSIC, INC., KOPPELMAN-RUBIN MUSIC, INC.,

DALY CITY MUSIC, KING MUSIC LTD., MURBO MUSIC PUBLISHING, INC., FOUR STAR SALES CO., INC., EVIL EYE MUSIC, INC., VENICE MUSIC, INC., COLGEMS CORP., CHAPPELL & CO., INC., BALD MEDUSA MUSIC CO., SAM FOX PUBLISHING CO., INC., HELENA MUSIC CORP., ANDREW SCOTT, INC., BREGMAN, VOCCO and CONN, INC., ABKCO MUSIC, INC., BEECHWOOD MUSIC CORP., BLUE BOOK MUSIC CO., INC., LOW-TWI MUSIC CO., INC., JOHN D. MARKS, doing business as ST. NICHOLAS MUSIC PUBLISHING CO., RIVERS MUSIC CO., CIPRUS MUSIC, JOBETE MUSIC COMPANY, INC., OUR MUSIC LTD., and NIPPER MUSIC COMPANY, INCORPORATED,

Petitioners-Appellants,

v.

MARTIN STERN and PEARL ROSNER, doing business as NATIONAL MANUFACTURING COMPANY, DON GOLD, doing business as DON GOLD CO., and DON GOLD DISTRIBUTING CO., and DESIGNERS LITOGRAPH, RALPH PATTERSON, JOE CASTILLO, JOE FARB, B.

No. 71-1854

ALLEN MILLSTONE, THOMAS McDONOUGH, MARVIN YEAGER, CARL HAYNER, DEE ROBINSON, also known as DALE ROBINSON, also known as DUKE ROBINSON, LESLIE KESSLER, JACK FINE, LOU AIELLO, ANN CHILDERS, WILLIAM FRIED, doing business as VILLAGE TAPE SHOPS, W. L. FARINGER, Receiver in Bankruptcy for ESH, INC., doing business as KCAC, DICK RICHARDS doing business as THE 8TRACK, LEALAND BISBEE BROADCASTING CORP., doing business as KTKT, ALLAN KORNGOLD BROADCASTING CORP., doing business as KWFM, HARRY KAPLAN and SHEILA DALTON, doing business as SOUND EXPERIENCE and HOUSE OF STEREO, ROBERT LANCE, doing business as STEREO OUTHOUSE, SKAGGS DRUG CENTERS, INC., PIC-A-TAPE, INC., doing business as RECORD ALLEY, TOM JONES, doing business as ROBITOM'S, SAMUEL C. BROCATO, doing business as SCB ENTERPRISES, JOHN DOE and MARY DOE, doing business by means of a Tan Ford Econoline, California license number 94-8451G) and DON SCOTT doing business as DON SCOTTS MUSIC CENTER, JUDITH CANHA and)

JAMES B. CLANCY,)
)
Respondents-Appellees.)
)

Appeal from the United States District Court for the District of Arizona

Before: KILKENNY and CHOY, Circuit Judges, and *BYRNE, SR., District Judge.

CHOY, Circuit Judge:

This interlocutory appeal requires a construction of the remedial and compulsory license provisions of the Copyright Act of 1909, 17 U.S.C. §§1(e) and 101(c)(d) and (e). Appellants are a group of music companies which own the copyrights to musical compositions by such diverse and well-known musicians as Elvis Presley, Johnny Cash, Burt Bacharach, Mick Jagger, Joni Mitchell, and Buck Owens. They allege that appellee Pearl Rosner and others are music pirates who make cassette tape recordings of phonograph records legitimately issued by

* The Honorable William M. Byrne, Sr., United States District Judge, Central District of California, sitting by designation.

appellants from copyrighted compositions. After a nationwide search, appellants discovered a major pirate haven in Phoenix, Arizona. With the aid of private investigators and the local police, they obtained sufficient information to secure from the District Court an ex parte order to show cause, a temporary restraining order and a writ of seizure, all directed against the alleged pirates.

The writ of seizure, issued pursuant to 17 U.S.C. §101(c) and the Rules of Practice issued by the Supreme Court,[1/] directed the marshal to seize

> " . . . any and all parts of instruments serving to reproduce mechanically plaintiffs' copyrighted musical works and all means for making the same, comprehending labels, cartridges, tape recordings and machinery utilized in the manufacturing process, including Livingston recording machine -- side winder, Jagerberg-Werke AG brand tape machines, Weldotron brand equipment, GRT tape winders and Craig testing tape players. . ."

The marshal seized and impounded 25,000 complete tape recordings and master recordings, which serve to reproduce mechanically appellants' copyrighted musical compositions; blank tapes and cartridges designed for use in the manufacture of tape recordings; printed labels; machinery used to transfer the sounds on to blank tapes; packaging and promotional materials; and other equipment and machinery utilized in the manufacturing process. Appellants filed the requisite bond.

Only appellee Rosner, who does business as National Manufacturing Company, appeared and contested the seizure order. She objected to the order's scope on the ground that the statutory authority for seizure and the Supreme Court rules implementing that authority contemplate the seizure and impounded only of items of " . . . such nature that they would be the last item of identifiable character used to make an infringing copy." She also contended that since she had filed a statutory Notice of Intention to Use under 17 U.S.C. §101(e), after the writ of seizure was issued and executed but before the hearing on the

preliminary injunction, injunctive relief prohibiting her from using appellants' copyrighted works was unavailable.

The District Court agreed with Rosner on each count. It ordered the return of all " . . . tape recording equipment and machinery, as well as . . . all blank tapes, cartridges, cassettes, labels or any unmarked or unprinted packaging materials. On the other hand, all property which either embodies a mechanical and/or electronic impression of plaintiff publishers' copyrighted works or any packaging or promotional devices identifying or referring to same are still subject to impoundment." The District Court also held that Rosner could avail herself of the compulsory license scheme although she had previously illegally infringed appellants' copyrights and although she intended to continue duplicating the copyrighted material.

The District Court later amended its order, nunc pro tunc, to allow an appeal under 28 U.S.C. §1292(b). The court also stayed its order pending the outcome of this appeal. The seized materials have not been returned to Rosner. We reverse the

District Court on both counts and remand.

I

The Scope of the seizure order

The Copyright Act of 1909 provides for injunctive and monetary relief for infringement, and also for impoundment and destruction of infringing articles.

> "If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:
>
> . . .
>
> "(c) To deliver up on oath, to be impounded during the pendency of the action, upon such terms and conditions as the court may prescribe, all articles alleged to infringe a copyright;
>
> "(d) To deliver up on oath for destruction all the infringing copies or devices, as well as all plates, molds, matrices, or other means for making such, infringing copies as the court may order." 17 U.S.C. §§ 101(c) and (d) (emphasis supplied).

The language used throughout the Supreme Court rules which implement these provisions is not uniform,[2/] and there is some verbal confusion about what is to be seized and destroyed. But the statutory mandate is clear. "All articles alleged to infringe the copyright" are to be impounded, and "all infringing copies. . ." are to be destroyed. Neither the statute nor the Supreme Court rules give the District Court any discretion to determine what to impound or what to destroy. The process Congress granted the aggrieved copyright proprietor is a summary one. Universal Film Manufacturing Co. v. Copperman, 206 F. 69, 70 (S.D.N.Y. 1913). It is to impound everything the plaintiff alleges infringes his copyright. Rules 9 and 10 then provide that the defendant may apply to the court for return of the seized articles if he shows that "the articles seized are not infringing copies, records, plates, molds, matrices, or other means for making the copies alleged to infringe the copyright." Rule 9. The court, in its discretion,may order a return, but only if the defendant has met his burden of proof. Rule 10. If

the articles seized are infringing copies or infringing means, the District Court has no discretion to return them. A similar interpretation is applicable to the destruction provision.

There is no reason here to apply the statutory construction rule of ejusdem generis[3/] to narrow the items to be impounded and destroyed to the general class of plates, molds, and matrices, that is, to items embodying an identifiable impression of the copyrighted work. The statute and Supreme Court rules provide for the impoundment and destruction of three classes of items: (1) infringing copies; (2) plates, molds, matrices, etc.; and (3) other means for making the allegedly infringing copies. If ejusdem generis is applicable here, it is applicable to construe the word "etc.," not the words "other means for making such infringing copies." Machines, blank cassettes and cartridges, blank and printed labels, and other devices are "other means" for making infringing copies to appellants' copyrights. They fall within the scope of both the statute and the rules and were properly impounded.

In dealing with copyright infringers, Congress did not halt at injunctive and monetary relief. It prescribed impoundment and destruction. While the Joint Committee reporting the proposed Act did not elaborate on these remedies,[4] they were often discussed in extensive hearings before the Joint Senate and House Committee, held in June and December, 1906, and March, 1908. Congressmen, supporters, and opponents of the copyright bill agreed that the impoundment and destruction provisions were sweeping in their scope, and encompassed machines and items which could be used for other, allegedly innocent purposes. During the June, 1906 hearings, opponents of the bill foresaw the spectre of the destruction of equipment, machines, and entire plants. Hearings on S. 6330 and H.R. 19853 before the Senate and House Committees on Patents, conjointly, 59th Cong., 1st Sess., 124, 177-178, 200 (June, 1906). Proponents of the bill envisioned the same.[5] Congress intended to impound and destroy "the whole of the paraphernalia," including those items which may be used for other purposes.[6]

We, therefore, reverse the District

Court's order on this point, and direct that all material and machinery seized continue to be impounded pending a hearing on the merits.

II

The compulsory license provision

The congressional committees which drafted the 1909 Act were conscious of the "advance ground" they were taking in "securing the right of composers in the matter of the reproduction by mechanical means of their music."[7/] H.R. Rep. 5 (1909). However, they were also acutely aware of the possibility of the creation of a vast "music monopoly" if copyright holders had the exclusive right to determine who was to reproduce their works. Therefore,

> "The only way to effect both purposes, as it seemed to the committee, was, after giving the composer the exclusive right to prohibit the use of his music by the mechanical reproducers, to provide that if he used or permitted the use of his music for such purposes, then,upon the payment of a reasonable royalty, all

who desired might reproduce the music." H.R.Rep. 6 (1909).

Against this background, Congress enacted §1(e) of the Copyright Act, 17 U.S.C. §1 et seq.,which reads in relevant part,

> "And as a condition of extending the copyright control to such mechanical reproductions, that whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work, any other person may make similar use of the copyrighted work, upon payment to the copyright proprietor of a royalty of 2 cents on each such part manufactured, to be paid by the manufacturer thereof . . ."

Section 1(e) is implemented by §101(e), which reads in part,

> Provided, also, that whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition ... relying upon the compulsory license provision of this title, he shall serve notice of such intention . . . upon the copyright proprietor . . ."

Rosner invoked these provisions of the Act when she filed a notice of intention to use, declaring her intention to continue the manufacture of tapes by the same duplicating methods used in the past. While appellants argued that the compulsory license provisions were inapplicable to a pirate and that, in any event, the notice was filed too late, the District Court, noting the "gaping loopholes in the Act," agreed with Rosner. We do not.

The statute provides that anyone who properly invokes the license provision "may make similar use of the copyrighted work." (emphasis supplied.) Rosner admits that she duplicates appellants' copyrighted compositions. She does not make "similar use" of them, she makes exact and identical copies of them. This is clearly outside the scope of the compulsory license scheme.[8/]

In Aeolian Co. v. Royal Music Roll Co., 196 F. 926 (W.D.N.Y. 1912), a piano roll manufacturer having a license to use certain copyrighted musical compositions on its perforated rolls sought an injunction against a competitor who was duplicating

the rolls. In granting the injunction, the court said,

> "The provision of the statute (section 1e) that 'any other person may make similar use of the copyrighted work' becomes automatically operative by the grant of the license; but the subsequent user does not thereby secure the right to copy the perforated rolls or records. He cannot avail himself of the skill and labor of the original manufacturer of the perforated roll or record by copying or duplicating the same, but must resort to the copyrighted composition or sheet music, and not pirate the work of a competitor who has made an original perforated roll." At 297.

Accord, Standard Music Roll Co. v. F.A. Mills,Inc., 241 F. 360, 363 (3rd Cir. 917).[9/] Jeweler's Circular Publishing Co. v. Keystone Publishing Co., 281 F. 83, 95 (2nd Cir. 1922); Produce Reporter Co. v. Fruit Produce Rating Agency, 1 F.2d 58 (N.D. Ill. 1924).

Rosner asserts that the courts have recently recognized a "right to copy" i.e., duplicate, which she is entitled to invoke. None of the cases she cites supports her claimed right to make exact and identical copies of appellants' records. In Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) and Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964), the Supreme Court held only that business competitors could commercially produce an item "substantially identical" to an item produced by another company, but unprotected by patent or copyright, without fear of liability under state unfair competition laws. In both Sears and Compco the products at issue were unprotected by patent. The "Paladin" character in Columbia Broadcasting System, Inc. v. De Costa, 377 F.2d 315 (1st Cir. 1967), was likewise unprotected by a copyright. As we said in Cable Vision, Inc. v. KUTV, Inc. 335 F.2d 348, 351 (9th Cir. 1964),

> "Save for the limited protection accorded the creator of literary and intellectual works under the Copyright Act and its exceptions ..., anyone may freely and with impunity

avail himself of such works to any extent he may desire and for any purpose whatever subject to the qualification that he does not steal good will, or, perhaps more accurately stated,deceive others in thinking the creations represent his own work." (emphasis supplied.)

Sears and Compco do not sanction Rosner's outright appropriation, in violation of copyright, of the actual performances contained on appellants' records. Rosner may,of course, record appellants' songs, when she hires musicians, artists,and technicians. Instead,she steals the genius and talent of others. She deceives others into thinking that her tapes represent her own work.[10/] She has no "right to copy." See Capitol Records,Inc. v. Greatest Records, Inc., 43 Misc.2d 878, 252 N.Y.S. 2d 553 (S.Ct. 1964). She may not continue her privacy under the flag of compulsory licensing.

Reversed and remanded.

DUCHESS MUSIC CORP. v. PEARL ROSNER,etc.,
No. 71-1854

BYRNE, Dissenting:

I respectfully dissent.

My disagreement with the majority opinion is that it sanctions relief which I do not believe is available to these appellants. The basis of this disagreement is in differing interpretations as to what is truly in issue. In my view, the appellants are not seeking to protect the copyrights they hold on the musical compositions in controversy. This is not a case,as I see it, where the holders of the copyright are seeking retribution for the uncompensated use of their musical compositions. Rather,this conflict may be seen as an attempt by these copyright holders to preclude,<u>forever</u>, Rosner's appropriation of their recordings of these compositions. The majority opinion's approval of such a consequence discounts,as I see it, Rosner's subsequent compliance with the compulsory license provisos. It is to that consequence to which my views, as were those of the district court,are directed.

The legislative history of the recently enacted amendments to the Copyright Act serves as an instructive guide setting forth the limitations of the Act at the time the events in controversy occurred.

In its report on the bill amending the Copyright Act, the House Judiciary Committee observed that because "there [was] no Federal protection of sound recordings,as such," new legislation was needed. Absent such protection,the Committee noted that if record pirates "satisfy the cla[i]m of the owner of the musical copyright [they] can and do engage in widespread unauthorized reproduction of phonograph records and tapes without violating Federal copyright law." (Emphasis supplied). H.R. 92-487. The view propounded by the House Judiciary Committee was echoed by the Librarian of Congress: "Neither the present Federal copyright statute nor the common law or statutes of the various states are adequate for this purpose. [Controlling unauthorized duplication of phonograph records and tapes]. The best solution, an amendment of the copyright law to provide limited protection against unauthorized duplication, is that embodied in S. 646

[the bill to amend Title 17 of the United States Code.]" Similarly, the State Department, which has had to deal with international consequences of record piracy, concluded that the pre-amended Act was inadequate: "At present, there is no Federal statute that expressly prohibits commercial traffic in unauthorized duplications of legitimate sound recordings. [The bill to amend Title 17 of the United States Code] would answer that need and would provide a satisfactory means of combating and curbing the unauthorized duplication and piracy of sound recordings." The Commerce and Justice Departments also attested to the inadequacies of the pre-amended Act. In light of the views expressed by the representatives of the Executive and Legislative Branches, I cannot agree with the essence of the majority opinion that the Copyright Act in its pre-amended state adequately safeguarded the rights of the instant appellants. Accord, Nimmer on Copyright (1970) wherein it is stated:

> "Assuming such a record pirate duly serves a notice of intent to use, and pays the compulsory license

royalties, the somewhat astounding result is that he is not an infringer under the Copyright Act. The only portion of that which he has recorded which is protectible under the Copyright Act is the musical composition itself, and that he is authorized to use for recording purposes upon payment of the statutory royalties. All of the other elements contained in the original record which he has without authority duplicated are not copyrightable, and hence his use of such other elements does not give rise to an action for copyright infringement." at 430, 431. (emphasis supplied).

As demonstrated by a recapitulation of the amendments' legislative history, the act of record piracy was not prohibited by the pre-amended Act if the compulsory license provisions had been satisfied. I believe the trial court's interpretation of the statutory provisos and court promulgated rules pertinent to the disposition of Rosner's recording equipment was entirely consistent with the then governing law.

Simply stated, the trial court's sound application of the rule of ejusdem generis avoids the contradictory result of impounding recording equipment and at the same time affirming that the pre-amended Act permits duplication of recording if the compulsory license provisions are met with compliance:

> "The rules of practice implementing sections 101(c) and (d), with one exception, use terminology similar to that of section 101(d).
>
> "While recognizing that this ambiguous language admits of several interpretations, this Court can only conclude that the most reasonable one precludes the seizure and impounding of defendants' tape recording machinery and equipment. Application of the rule of ejusdem generis requires that the phrase 'or other means of making such infringing copies' be held to apply only to the same general class as are those items specifically enumerated in the phrase immediately preceding, and each of the preceding enumerated

items--plates, molds, matrices--is of such a particular character as to embody, as defendant suggests, an identifiable impression of the copyrighted work.

"Furthermore, is eventual destruction is one of the purposes of impounding, see Jewelers' Circular Publishing Co. v. Keystone Publishing Co., 274 F. 932 (S.D.N.Y. 1921), this Court can conceive of no rationale within the wording of the Act which would justify destruction of any property usable for other, non-infringing purposes."

In so applying the said rule, the trial court ordered that "all property which either embodies a mechanical and/or electronic impression of plaintiff publishers' copyrighted works or any packaging or promotional devices identifying or referring to same are still subject to impoundment." Thus, the net result of the court's confiscation order was to deny Rosner the fruits of her non-compliance with the compulsory license provisions without rendering as meaningless any subsequent compliance.

If this case only concerned a pirate who had not complied with the compulsory license provisions, I would be in complete accord with the majority opinion's view that duplication was prohibited. Here, Rosner, an acknowledged duplicator, is not such a pirate, because, as noted by the majority opinion, she had "filed a notice of intention to use, declaring her intention to continue the manufacture of tapes by the same duplicating methods used in the past." Because I believe this to be the very "loophold" the new amendments are intended to close, I cannot concur in the majority opinion's disposition of the compulsory license issue.

Although Rosner now has complied with the compulsory license provision, she is prohibited by the majority opinion from engaging in the act of duplication. Such a prohibition is not tenable, as I see it, in light of the legislative history of the amendments and the views of Professor Nimmer.

I would affirm the district court.

FOOTNOTES

1. [reference on page 3]

214 U.S. 533 (1909), as amended by 307 U.S. 652 (1939). See 17 U.S.C. pp. 276-281.

2. [reference on page 5]

Rules 2 and 3 refer to " . . . infringing copies, records, plates, molds, matrices, etc., or other means for making the copies alleged to infringe the copyright . . ." Rule 2. Rule 9 and Rule 3, in a second sentence, omit the "etc." Rules 6 and 11 refer to "infringing articles" and "the articles seized."

3. [reference on page 5]

"Ejusdem generis, of the same kind, class or nature. In the construction of laws, wills and other instruments, the 'ejusdem generis rule' is that where general words follow an enumeration of person or things, by words of a particular and specific meaning, such general words are not to be construed in their widest extent, but are to be held as applying only to persons or things of the same general kind or class as

those specifically mentioned." Black's Law Dictionary (4th Ed. 1968) However, ejusdem generis is not to be applied to render general words meaningless, United States v. Alpers, 38 U.S. 680, 682 (1950), or to thwart Congress' intent, United States v. Gilliland,312 U.S. 86, 93 (1941).

4. [reference on page 6]

The Committee commented only that "some legislation of this kind is necessary." H.R. Rep. No. 2222, 60th Cong., 2d Sess., 7 (1909). All future references to this Report will be to H.R. Rep. (1909).

5. [reference on page 6]

See Hearing on S. 6330 and H.R. 19853 before the Senate and House Committees on Patents, conjointly, 59th Cong., 1st Sess., 146 (December, 1906).

6. [reference on page 6]

See, in the December hearings, supra, n. 8, pp. 179-180, and in the Hearings on S. 2499 before the Senate and House Committees on Patents, conjointly, 60th Congress, 1st Sess., (March, 1908), pp. 37, 123, and 139.

This was not the judicial practice before the Copyright Act, e.g., Morrison v. Pettibon, 87 F. 330 (N.D. Ill. 1897). However, the 1909 statute was a thorough revision of American copyright law, and the legislative hearings demonstrate that Congress was cognizant of the innocent use problem.

7. [reference on page 7]

While the Copyright Act was intended in some way to overrule White-Smith Publishing Co. v. Apollo Co., 209 U.S. 1 (1908), Note, "Sound Recordings, Records,and Copyright: Aftermath of Sears and Compco," 33 Albany L. Rev. 371,372 (1969), it did not permit phonograph records to be copyrighted. Capitol Records, Inc. v. Mercury Record Corp.,109 F. Supp. 330 (S.D.N.Y. 1952) aff'd 221 F.2d 657 (2d Cir. 1955). However, if the underlying work is copyrighted, there may be an infringement of that copyright by duplicating the record. Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2d Cir. 1957). The Congress has at last remedied this anomaly by creating an exclusive right in the copyright holder "[t]o reproduce and distribute to the public . . . reproductions

of the copyrighted work if it be a sound recording . . ." S. 646, 92nd Cong., 1st Sess., enacted October 15, 1971. This new right is not retroactive.

8. [reference on page 8]

Given our view that exact duplication is not "similar use," we need not decide when a prospective licensee must invoke the compulsory license scheme and file his notice of intention to use.

9. [reference on page 8]

See Ball, The Law of Copyright and Literary Property 461 (1944); Note, "Battle over the Compulsory License: Mechanical Recording of Music," 36 Colum. L. Rev. 501, 503 (1964); Diamond, "Copyright Problems of the Phonograph Industry," 15 Vand. L. Rev. 419, 426 (1962); Note, 13 Rutgers L. Rev. 365, 368 (1958).

10. [reference on page 9]

It has long been the law in this Circuit that "[o]ne cannot copy the substance of another's work without infringing his copyright." Benny v. Loew's Inc., 239 F.2d 532, 537 (9th Cir. 1956). See also Berlin v.

E. C. Publications, 329 F.2d 541 (2d Cir. 1964); Columbia Pictures Corp. v. National Broadcasting Co., 137 F. Supp. 348 (S.D. Calif. 1955). Under the Copyright Act, if the copying is "substantial," it is an infringement. Comment, "Piracy or Parody: Never the Twain," 38 U. Col. L. Rev. 550 (1966). Rosner's copying is exact.

FILED

Mar 13 1972
Wm. B. Luck, Clerk

APPENDIX C

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

DUCHESS MUSIC CORPORATION, et al., Appellants-Respondents, v. PEARL ROSNER, et al., Appellees-Petitioner.	)	No. 71-1854

ORDER

Before: KILKENNY and CHOY, Circuit Judges, and BYRNE, Sr., District Judge.*

The panel as constituted in the above case has voted to deny the petition for rehearing and to reject the suggestion for a rehearing in banc.

The issue of constitutional violation of due process based on the disparity

---

* The Honorable William M. Byrne, Sr., United States District Judge, Central District of California, sitting by designation.

between $250,000 worth of "noninfringing supplies and machines" as against the $2,000 statutory remedy, was not raised either at the trial or on appeal, and will not be countenanced at this juncture.

The full court has been advised of the suggestion for an in banc hearing, and no judge of the court has requested a vote on the suggestion for rehearing in banc. Fed. R. App. P. 35(b).

The petition for rehearing is denied and the suggestion for a rehearing in banc is rejected.

/s/ Herbert Y. C. Choy
United States Circuit Judge

FILED
Apr 26, 1972
Wm. B. Luck, Clerk

APPENDIX D

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

DUCHESS MUSIC CORPORATION, JONDORA MUSIC PUBLISHING CO., ET AL., Plaintiffs-Appellants,	)
vs.	) No. 71-1854
PEARL ROSNER, dba NATIONAL MANUFACTURING COMPANY Defendant-Appellee.	)

ORDER STAYING ISSUANCE OF MANDATE

Upon application of B. Allen Millstone counsel for the Appellee, and good cause appearing, IT IS ORDERED that the issuance, under Rule 41(a) of the Federal Rules of Appellate Procedure,of the certified copy of the judgment of this Court in the above cause be and hereby is stayed pending the filing,consideration and disposition by the Supreme Court of the United States of a petition for writ of certiorari to be made by the Appellee herein, provided such petition is filed in the Clerk's Office of the Supreme Court of the United States on

or before May 26, 1972.

In the event the petition for writ of certiorari is granted, then this stay is to continue pending the final disposition of the case by the Supreme Court of the United States.

Herbert Y. C. Choy
United States Circuit Judge

DATED: SAN FRANCISCO, CALIF.
May 4 1972

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May 4 1972
Emil E. Welfi, Jr.
Acting Clerk

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-1551

PEARL ROSNER,

Petitioner,

v.

DUCHESS MUSIC CORPORATION, *et al.*,

Respondents.

BRIEF FOR THE RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

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PEARL ROSNER,

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DUCHESS MUSIC CORPORATION, *et al.*,

Respondents.

BRIEF FOR THE RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Opinions Below

The opinion of the United States District Court for the District of Arizona is reported in 331 F. Supp. 127 and 170 U.S.P.Q. 391. The opinion of the United States Court of Appeals for the Ninth Circuit is reported, *sub nom.*, in 173 U.S.P.Q. 278.

Statute and Rules Involved

This case involves Sections 1(e) and 101(c), (d) and (e) of the Copyright Law, 17 U.S.C. §§ 1(e), 101(c), (d) and (e). (Section 101(e) was amended by Section 2 of Public Law 92-140, 85 Stat. 39, effective October 15, 1971, to in-

crease the remedies for the infringements of copyrighted music by the manufacture and sale of recordings thereof, and to rescind the statutory prohibition against criminal prosecution for willfully committing such infringements. The text of amended Section 101(e) is set forth in Appendix 1 hereto.) This case also involves Rules 3-6 of the rules adopted by this court for copyright infringement actions, Rules Adopted By The Supreme Court of the United States for Practice and Procedure in Actions for Copyright Infringement, 214 U.S. 533, at 536-538 (1909) as amended 307 U.S. 652 (1939), reprinted 17 U.S.C.A. 276-280. The text of the full rules is set forth as Appendix 2 hereto.

Statement of the Questions Presented for Review

The questions presented for review are the same controlling questions of law presented to the Court of Appeals pursuant to the interlocutory appeal granted under 28 U.S.C. § 1292(b). The questions are:

1. In an action for copyright infringement, the Rules of Practice adopted by the Supreme Court of the United States, implementing Sections 101(c) and 101(d) of the Copyright Law (17 U.S.C. §§ 101(c) and 101(d)) set forth a detailed procedure for seizure and impounding of ". . . alleged infringing copies, records, plates, molds, matrices, etc., or other means for making the copies alleged to infringe the *copyright* . . ." (Rules 3-6).

> Does the provision for seizure and impounding of "other means for making the copies alleged to infringe the copyright" authorize seizure and impounding of machinery, equipment and raw materials used, and designed for use, in making the infringements, or does it merely authorize seizure and impounding of items which contain an identifiable impression of the copyrighted work?

2. The compulsory license provision of the Copyright Law (17 U.S.C. § 1(e)), which applies to certain recordings of a copyrighted musical work, provides that after the copyright owner has authorized the first use of the copyrighted musical work in making such recordings, ". . . any other person may make a similar use of the copyrighted work . . ." upon specified conditions.

Does the right to make a "similar use" permit duplication of the recordings of the copyrighted musical work made by another under a license from the copyright owner, or is it restricted to making new recordings of the copyrighted musical work?

3. As a condition of obtaining a compulsory license to make certain recordings of a copyrighted musical work, it is specified in Section 101(e) of the Copyright Law (17 U.S.C. § 101(e)); ". . . whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition upon the parts of instruments serving to reproduce mechanically the musical work (recordings), relying upon the compulsory license provision of this title, he shall serve notice of such intention, by registered mail, upon the copyright proprietor at his last address disclosed by the records of the copyright office, sending to the copyright office a duplicate of such notice . . ."

May an infringer resort to the compulsory license provision for authorization to continue the manufacture of recordings which infringe copyrighted musical works, by serving notice of "intention to use" the copyrighted musical works during the pendency of an action for copyright infringement arising out of the unauthorized manufacture of the recordings?

Statement of the Case

The action is for copyright infringements arising out of the unauthorized manufacture and sale of commercial recordings, in the form of tape recordings, serving to reproduce mechanically Respondents' respective copyrighted musical works. (R. 1-25)* The following facts were uncontroverted in the District Court.

Respondents are music publishers owning or controlling the respective copyrights in numerous copyrighted musical works. (R. 1-25) Petitioner, doing business as National Manufacturing Company, is a manufacturer of unauthorized tape recordings serving to reproduce mechanically Respondents' respective copyrighted musical works. (R. 197) The manufacturing operation of Petitioner consists of producing bootleg or pirated tape recordings; duplicates of the currently most popular recorded renditions of Respondents' musical works originally made under license agreements between Respondents and legitimate recording companies. (R. 53, 54) As a result of an investigation commenced in the fall of 1970, it was ascertained that the duplicate recordings were in the form of eight-track cartridges or cassettes, the commonly accepted configurations for commercial tape recordings serving to reproduce mechanically musical works. (R. 88) It was also ascertained that the identification of the manufacturer was being deliberately concealed by use of false addresses, phony names and public telephone numbers. (R. 88) The duplicate recordings were marketed under highly sophisticated multicolored labels, reflecting the considerable effort and organization behind the manufacture. Printed catalogues were widely distributed to solicit purchasers of the duplicate recordings. (R. 88) In an attempt to curtail the exploitation thereof, Respondents instituted suits in the

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* Record references are to the record in the Court of Appeals.

United States District Courts in Connecticut, Florida and Texas against the local distributors and retailers. (R. 88) Notwithstanding Respondents' uniform success in obtaining immediate injunctive relief therein, the manufacturer remained concealed and the exploitation continued to be extensive. (R. 88)

Thousands of dollars were spent for the work of private investigators in attempting to locate the manufacturing operation. (R. 89) Shortly before the institution of the action in the District Court it was ascertained from reports of the Phoenix Police Department that the manufacturing operation had recently moved from California to Phoenix, and that the Phoenix Police Department had conducted an extensive investigation of its activities based upon a complaint that it was in possession of certain stolen equipment used in the manufacturing process. (R. 90) It was revealed through the Phoenix Police Department that the Phoenix premises were kept under tight security of armed guards; that there were thousands of tape recordings on the premises in various stages of completion; that there were cases of catalogues identifying more than 400 different tape recordings, without any identifying manufacturer's name; that the premises housed a complete duplication center including a packaging room, a repair room, a room for storage, a workshop for repairs, a machine room, a large general work area and offices; and that a substantial amount of equipment for manufacturing recordings (specifically identified in the writ of seizure issued herein) was observed on the premises. (R. 90-92) The Phoenix Police Department was unable to identify the stolen equipment during a search pursuant to a warrant therefor, because identifying serial numbers had been removed. (R. 92)

Based upon the foregoing information, Respondents commenced this action by filing a verified complaint and an application to the court for a preliminary injunction with an

order to show cause providing for a temporary restraining order and a writ of seizure. (R. 28) As the District Court concluded:

> "The affidavit of Robert C. Osterberg filed in support of the application for an injunction and writ of seizure documents the publishers' attempts to discover the location of the defendants' highly mobile and clandestine 'bootlegging' operation. Exhibits attached to Osterberg's affidavit reflect the professional quality of the package presented to the public and the organized promotion thereof. The affidavit of Albert Berman, Managing Director of The Harry Fox Agency, Inc., the exclusive representative of all the plaintiff copyright holders herein, describes the very real economic threat bootleg tape recordings pose to the music publishing and recording industries." (331 F.Supp. at 128)

Presented with "this impressive showing of an organized yet highly mobile business operation", the District Court issued a temporary restraining order, and directed the Clerk of the Court to issue a writ of seizure "directed at the defendant's manufacturing process" (331 F.Supp. at 128), specifically encompassing:

> ". . . any and all parts of instruments serving to reproduce mechanically plaintiffs' copyrighted musical works and all means for making the same, comprehending labels, cartridges, tape recordings and machinery utilized in the manufacturing process, including Livingston recording machine—side winder, Jagerberg-Werke AG brand tape machines, Weldotron brand equipment, GRT tape winders and Craig testing tape players. . . ." (R. 32)

The Marshal, pursuant to the writ of seizure, seized and took into possession 25,000 completed tape recordings and the master recordings therefor, serving to reproduce me-

chanically the copyrighted musical works of Respondents, blank tapes and cartridges designed for use in the manufacture of tape recordings; printed labels; machinery used to transfer the sounds on to blank tape; packaging materials; and other equipment and machinery utilized in the manufacturing process. (R. 147-149)

The only defendant who appeared to object to the seizure and oppose the application for a preliminary injunction was Petitioner. (R. 297, 298) She made no claim to ownership of any of the seized articles, but based her right to object upon the mere fact that she is a defendant and was in possession of the articles at the time of the seizure. (R. 195) No claim was made that the seized machinery, equipment and raw materials were not used, or designed for use, in the process of manufacturing the infringing recordings. Petitioner objected to the scope of the seizure on the ground that the statutory authorities only contemplate the seizure and impounding of items which are of ". . . such nature that they would be the last item of identifiable character used to make an infringing copy." (R. 160) Petitioner also objected to the issuance of any injunctive relief upon the ground that the day preceding the hearing of the application for a preliminary injunction she filed "Notices of Intention" to use the copyrighted musical works of Respondents in suit pursuant to the compulsory license provision of the Copyright Law. (R. 197-202)

The Determination of the District Court

The District Court, upon reconsideration of its writ of seizure, restricted the statutory right of seizure by an application of the rule of *ejusdem generis,* and determined that Petitioner was entitled to resort to the compulsory license provision to continue manufacturing duplicates of recordings made under Respondents' prior licenses to legitimate recording companies. The District Court also

determined that Petitioner obtained a compulsory license for the future by filing notices of "intention to use" the copyrighted musical works long after her initial use had been made.

The District Court concluded: "There is no serious doubt that plaintiffs will prevail on the merits. The fact is, defendants do not really contest the allegation of infringement, as both their memoranda submitted thus far and oral argument at the show cause hearing clearly indicate." (331 F. Supp. at 136)

The Determination of the Court of Appeals

The Court of Appeals in reversing the District Court, held, with respect to the first question presented (173 U.S.P.Q. at 280, 281):

> "But the statutory mandate is clear, 'All articles alleged to infringe the copyright' are to be impounded, and 'all infringing copies * * *' are to be destroyed. . . .
>
> There is no reason here to apply the statutory construction rule of ejusdem generis[3] to narrow the items to be impounded and destroyed to the general class of plates, molds, and matrices, that is, to items embodying an identifiable impression of the copyrighted work. The statute and Supreme Court rules provide for the

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"[3] Ejusdem generis, of the same kind, class or nature. In the construction of laws, wills and other instruments, the 'ejusdem generis rule' is that where general words follow an enumeration of persons or things, by words of a particular and specific meaning, such general words are not to be construed in their widest extent, but are to be held as applying only to persons or things of the same general kind or class as those specifically mentioned." Black's Law Dictionary (4th ed. 1968). However ejusdem generis is not to be applied to render general words meaningless, United States v. Alpers, 338 U.S. 680, 682 (1950), or to thwart Congress' intent, United States v. Gilliland, 312 U.S. 86, 93 (1941)."

impoundment and destruction of three classes of items: (1) infringing copies; (2) plates, molds, matrices, etc.; and (3) other means for making the allegedly infringing copies. If ejusdem generis is applicable here, it is applicable to construe the word 'etc.,' not the words 'other means for making such infringing copies.' Machines, blank cassettes and cartridges, blank and printed labels, and other devices are 'other means' for making infringing copies of appellants' copyrights. They fall within the scope of both the statute and the rules and were properly impounded. . . . Congress intended to impound and destroy 'the whole of the paraphernalia,' including those items which may be used for other purposes.'"[6]

"[6]See, in the December hearings, supra, n. 8, pp. 179-180, and in the Hearings on S. 2499 before the Senate and House Committees on Patents, conjointly, 60th Congress, 1st Sess. (March 1908), pp. 37, 123, and 139.

This was not the judicial practice before the Copyright Act, e.g., Morrison v. Pettibon, 87 F. 680 (N.D. Ill. 1897). However, the 1909 statute was a thorough revision of American copyright law, and the legislative hearings demonstrate that Congress was cognizant of the innocent use problem."

The Court of Appeals held, with respect to the second question presented (173 U.S.P.Q. at 281, 282):

"The statute provides that anyone who properly invokes the license provision 'may make *similar use* of the copyrighted work.' (emphasis supplied.) Rosner admits that she duplicates appellants' copyrighted compositions. She does not make 'similar use' of them, she makes exact and identical copies of them. This is clearly outside the scope of the compulsory license scheme.

* * *

Rosner may, of course, record appellants' songs, when she hires musicians, artists, and technicians. Instead, she steals the genius and talent of others.

> She deceives others into thinking that her tapes represent her own work. She has no 'right to copy.' See Capitol Records, Inc. v. Greatest Records, Inc., 43 Misc. 2d 878, 252 N.Y.S.2d 553, 142 USPQ 109 (S.Ct. 1964). She may not continue her piracy under the flag of compulsory licensing."

The Court of Appeals said, with respect to the third question presented (173 U.S.P.Q., at 281, fn. 8):

> "'[8] Given our view that exact duplication is not 'similar use,' we need not decide when a prospective licensee must invoke the compulsory license scheme and file his notice of intention to use."

The Court of Appeals denied a petition for rehearing and rejected the suggestion for a rehearing *in banc,* no judge of the court having requested a vote on the suggestion for rehearing *in banc.* (Pet. App., C-2)

ARGUMENT

The determination of the Court of Appeals is not in conflict with any prior decisions of this court.

The Court of Appeals herein interpreted the scope of the compulsory license provisions of the Copyright Law. Having determined that Petitioner was not within the intended scope of the compulsory license, she was without any authorization to make such uses of Respondents' copyrighted musical works and a bare infringer. This interpretation of the Court of Appeals is supported by a long line of authorities.

> *Aeolian Co.* v. *Royal Music Roll Co.,* 196 Fed. 926 (W.D.N.Y. 1912);
> *Ball, Law of Copyright,* § 212, pp. 462, 463 (1944);
> *Ladas, The International Protection of Literary and Artistic Property,* Vol. 2, § 364, p. 791, fn. 414 (1938);

Amdur, Copyright Law and Practice, § 6, pp. 329, 330 (1936);
Weil, American Copyright Law, § 1109, p. 421 (1917);
Diamond, Copyright Problems of The Phonograph Record Industry, 8 Bull. Cr. Soc. 337, 345 (1961);
Dubin, Copyright Aspects of Sound Recordings, 26 So. Cal. L. Rev. 139, 141, fn. 13 and 142 (1953);
Comment, Battle Over The Compulsory License: Mechanical Recordings of Music, 36 U. Colo. L. Rev. 501, 503 (1964).

Petitioner's reliance upon *Sears, Roebuck & Co.* v. *Stiffel Co.,* 376 U.S. 225 (1964); *Compco Corp.* v. *Day-Brite Lighting Inc.,* 376 U.S. 234 (1964) and *Fortnightly Corp.* v. *United Artists Television, Inc.,* 392 U.S. 390 (1968) (Pet. 12-14) is misplaced.

Sears and Compco do not involve any construction of specific provisions of the Copyright Law or the rights of copyright owners. They are addressed to the right to copy articles not protected by Federal statute. As the Court of Appeals said herein (173 U.S.P.Q. at 282):

> "Rosner asserts that the courts have recently recognized a 'right to copy' i.e., duplicate, which she is entitled to invoke. None of the cases she cites supports her claimed right to make exact and identical copies of appellants' records. In Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 140 USPQ 524 (1964), and Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 140 USPQ 528 (1964), the Supreme Court held only that business competitors could commercially produce an item 'substantially identical' to an item produced by another company, but unprotected by patent or copyright, without fear of liability under state unfair competition laws. In both Sears and Compco the products at issue were unprotected by patent."

Similarly inapposite is *Fortnightly,* where this court stated ". . . § 1 of the Act enumerates several 'rights' that are made 'exclusive' to the holder of the copyright. If a person, without authorization from the copyright holder, puts a copyrighted work to a use within the scope of one of these 'exclusive rights', he infringes the copyright." (392 U.S. at 394, 395), and merely held, "With due regard to changing technology, we hold that the petitioner did not under that law [1909 Copyright] 'perform' the respondent's copyrighted work" (392 U.S. at 401, 402). Petitioner herein does not dispute that she manufactured and sold recordings serving to reproduce mechanically the copyrighted musical works of respondents within the meaning of Section 101(e) of the Copyright Law (17 U.S.C. § 101(e)).

The Determination of the Court of Appeals Is Not in Conflict With Any Determination of the Court of Appeals for the Second Circuit

Petitioner claims the determination of the Court of Appeals herein is in direct conflict with the determination of the Court of Appeals for the Second Circuit in *Shapiro, Bernstein & Co.* v. *Goody,* 248 F.2d 260 (2 Cir. 1957), cert. den. 355 U.S. 952 (1958), stating that it "only permitted seizures of articles which have an identifiable impression of the copyright (sic) work" (Pet. 15).

The issue of the proper scope of a seizure order was not presented to the Court of Appeals for the Second Circuit therein and the court did not even discuss it. As the court expressly stated therein, 248 F.2d 261, 262:

> "Joseph Krug, an original defendant below, manufactured two long-play phonograph disks on which were recorded propaganda radio broadcasts made by Major Alton 'Glenn' Miller and his orchestra during the Second World War.
>
> • • •

> Nor is the defendant Joseph Krug a party to the appeal because the appellants after obtaining a default judgment against him, Miller v. Goody, D.C., 125 F.Supp. 348, agreed to a dismissal, with prejudice, as to the action against him upon the payment to them of $2,000 which, the appellants claim, was compensation for some of the expenses of the suit."

The issue involved on that appeal as defined by the court was:

> "Does either the Copyright Act or the common law provide copyright owners with a remedy against non-manufacturing sellers of unauthorized phonograph recordings of copyrighted songs?" (248 F.2 262)

Petitioner makes the same erroneous reference to the district court opinion in *Runge* v. *Lee,* 161 U.S.P.Q. 770 (C.D. Calif. 1969) aff'd O.G. 441 F.2d 579 (9 Cir. 1971) (Pet. 15). The opinion of the District Court therein is devoid of any indication that the right of seizure is limited to "seizure of articles which have an identifiable impression of the copyright (sic) work." (Pet. 15)

If Petitioner's construction of the scope of the seizure provisions is accepted, it will render the authorization to seize "other means for making such infringing copies" meaningless. Articles which embody an identifiable impression of the copyrighted work are copies thereof, and, accordingly, subject to seizure as "infringing copies."

As this court said with respect to the rule of *ejusdem generis* in *United States* v. *Alpers,* 338 U.S. 680, 682 (1949):

> "It cannot be employed to render general words meaningless. Mason v. United States, 260 U.S. 545, 554."

No Court of Appeals Has Held That a Duplicator of Another's Recordings Is Within the Purview of the Compulsory License Provision

Petitioner's further reliance on *Shapiro, Bernstein & Co.* v. *Goody,* 248 F.2d 260 (1957), cert. den. 355 U.S. 952 (1958), for the alleged proposition that a duplicator of another's recordings may invoke the compulsory license provision is clearly erroneous. (Pet. 16) The Court of Appeals for the Second Circuit never suggested the manufacturer of the recordings therein was authorized, and merely held (248 F.2d at 264):

> "A natural reading of these sections leads us to the conclusion that a seller of unauthorized records of copyrighted music, although having no connection with the manufacturer, is an infringer and liable for damages which the Act provides."

The Determination of the Court of Appeals Will Not Create Music Monopolies or Grant Copyright Protection in Perpetuity

The sole purpose of enacting the compulsory license provision was to avoid the "possibility that some one company might secure, by purchase or otherwise, a large number of copyrights of the most popular music, and by controlling these copyrights, monopolize the business of manufacturing the (sic) selling music producing machines, otherwise free to the world" (House Rep. No. 2222, at p. 7). There is no danger that this Congressional purpose will be defeated by refusing to extend the compulsory license provision to duplicators. The music continues to be freely available to all who wish to make their own recordings of the copyrighted music. Nothing in the history of the Copyright Act indicates that Congress intended to extend the compulsory license provision to duplicators.

Duplication of recordings was not an existing problem in 1909. To include duplicators within the scope of the compulsory license provision would be to extend it to include a use which Congress did not intend to encompass thereby.

The only effort which would be encouraged by an extension of the compulsory license provisions to comprehend the activities of duplicators is the non-creative parasitic activities of duplicators, who are neither authors nor inventors, merely birds of prey who appropriate the investments and creative talents of others. The public welfare is not advanced by the marketing of Petitioners' tape recordings. The public has already been offered renditions of Respondents' musical works by prominent artists such as Burt Bacharach, Elvis Presley, Johnny Cash and Credence Clearwater Revival, through the efforts of the original, legitimate recording companies. The marketing of additional copies thereof by Petitioner does not increase the selection of music offered to the public. The public welfare is best advanced by offering to the public a wide selection of renditions of Respondents' copyrighted musical works by various artists. That function is performed by the manufacturers of original recordings, not the duplicators. Making the compulsory license provisions available to duplicators would destroy the rights of the copyright proprietors to receive income from recordings and is contrary to the Constitutional basis for copyright legislation, "To promote the progress of science and the useful arts . . ." (U. S. Const., Art. I, Sec. 8, cl. 8). Few users of copyrighted music would want to make the substantial investment of time, money and creative effort necessary to make original recordings when they could be immediately duplicated. As a result, the value of the copyright owner's exclusive right to license the first recording of his copyrighted music will be seriously impaired. The public will suffer from the lack of original recordings along with the copyright proprietor. The only persons who would benefit

from such extension are society's parasites. This is not a result Congress should be deemed to have intended when it enacted the compulsory license provision.

As the three-judge Constitutional court of the District of Columbia (Fahy, C.J., Corcoran, Green, D.J.'s) said in *Shaab* v. *Kleindienst,* Civil Action No. 11-72 (D. D.C. 1972), with respect to the Constitutionality of recent legislation creating a copyright in recordings, § 1 of P.L. 92-140, 85 Stat. 391, now § 1(f) of the Copyright Law (17 U.S.C. § 1(f)), unreported memorandum opinion dated June 7, 1972 (Reprinted in its entirety as Appendix 3 hereto):

> "The provision for compulsory licensing of copyrighted musical compositions promotes the arts by permitting numerous artistic interpretations of a single written composition.
>
> If Congress in 92-140 had extended the compulsory licensing provisions to call for licensing of companies that wish to make and sell identical versions of the recorded compositions, these public benefits would not result. Consumer choices would not be broadened since identical interpretations would be supplied first by the originator and later by the licensee. Equally important, competition and the creative aspects of the industry would be impaired since established recording firms would be discouraged from investing in new arrangements and performers, if they were compelled to license their successful interpretations to those desiring to take advantage of the originator's initiative and to add nothing themselves." (App. 3, p. 26)

There is nothing to the contrary in *Shapiro, Bernstein & Co.* v. *Remington Records, Inc.,* 265 F. 2d 263 (2 Cir. 1959). The defendants therein were not duplicators, but unauthorized manufacturers of their own recordings of popular music. The appeal therein was from the District Court's confirmation of rulings of the Special Master striking expert testimony as to the extent of liability. (at 266)

Chief Justice Burger, however, writing for the Court of Appeals for the Second Circuit, did make the following poignant statements:

> "No case has yet spelled out the obligations and burdens of manufacturers who avail themselves of the record reproducing privilege under § 1(e) of the Act. We undertake to do that now for the assistance of the District Court to which the case will be remanded for further proceedings. Perhaps it will also serve as a guide, if not a deterrent, to such members of the industry who engage in what has been described as 'piracy,' but which might better be described by other terms connoting larceny; historically, at least, piracy was characterized by frontal attack with unmistakable notice to the victim who could then take such means as were available to defend himself." (at p. 269)
>
> • • • •
>
> "We will not permit commercial piracy to produce illegal gains immune from recovery. While the law cannot prevent all sin and wrongdoing it can take some of the profit out of it." (at p. 273)

There is nothing in the determination of the Court of Appeals herein which "gives the authors and publishers rights in their musical compositions forever," contrary to the Constitutional limitation that copyright protection shall be for a limited time. (Pet. 19) Respondents' copyrights and the rights thereunder are governed by the limited time expressly set forth in Section 24 of the Copyright Law (17 U.S.C. § 24).

No Constitutional Rights of Petitioner Are Involved Herein

Petitioner claims "that the Court of Appeals' decision denies petitioner the equal protection of the law when it held that a duplicator cannot use the Compulsory License scheme," relying upon *Bolling* v. *Sharpe*, 347 U.S. 497 (1954). (Pet. 19)

Petitioner has no Constitutional right to make a use of a copyrighted musical work which has been reserved to the copyright proprietor by Congress. As this Court said with respect to the Copyright Law in *Wheaton* v. *Peters*, 33 U.S. (8 Peters) 590 (1834) at p. 663:

> "No one can deny, that when the legislature are about to vest an exclusive right in an author or an inventor, they have the power to prescribe the conditions on which such right shall be enjoyed . . ."

Bolling, *supra*, applied the equal protection clause to the laws of the District of Columbia through the Fifth Amendment because, "In view of our decision that the Constitution prohibits the States from maintaining racially segregated schools, it would be unthinkable that the same Constitution would impose a lesser duty on the Federal Government." (347 U.S. at 500)

Congress, in enacting the Copyright Law saw fit to limit the compulsory license provision to persons making a "similar use" of copyrighted musical works (new recordings) and not extend it to an "identical use" (duplicates of another's recordings). All duplicators are treated equally by the Court of Appeals, they may not engage in "piracy under the flag of compulsory license." There is no constitutional requirement that the compulsory license must reach every use to which it might extend. (Accord: *Carr* v. *U.S.*, 422 F.2d 1007 (4 Cir. 1970), and authorities cited therein at 1011, 1012.)

CONCLUSION

It is respectfully submitted that the petition for a writ of certiorari should be denied.

Respectfully submitted,

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APPENDIX 1

Copyright Law, Section 101(e), amended effective October 15, 1971 (17 U.S.C. § 101(e)), reprinted from 17 U.S.C.A., 1972 Supp., p. 74

"§ 101. Infringement

If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

* * * * * * *

(e) Interchangeable parts for use in mechanical music-producing machines.—Interchangeable parts, such as discs or tapes for use in mechanical music-producing machines adapted to reproduce copyrighted musical works, shall be considered copies of the copyrighted musical works which they serve to reproduce mechanically for the purposes of this section 101 and sections 106 and 109 of this title, and the unauthorized manufacture, use, or sale of such interchangeable parts shall constitute an infringement of the copyrighted work rendering the infringer liable in accordance with all provisions of this title dealing with infringements of copyright and, in a case of willful infringement for profit, to criminal prosecution pursuant to section 104 of this title. Whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition upon the parts of instruments serving to reproduce mechanically the musical work, relying upon the compulsory license provision of this title, he shall serve notice of such intention, by registered mail, upon the copyright proprietor at his last address disclosed by the records of the copyright office, sending to the copyright office a duplicate of such notice.

* * * * * * *

As amended Oct. 15, 1971, Pub.L. 92-140, § 2, 85 Stat. 392."

APPENDIX 2

Rules Adopted by the Supreme Court of the United States for Practice and Procedure in Actions for Copyright Infringement, reprinted from 17 U.S.C.A., pp. 276-281

Rules Adopted by the Supreme Court of the United States[1] for Practice and Procedure Under Section 25[2] of an Act to Amend and Consolidate the Acts Respecting Copyright, Approved March 4, 1909

1.

Proceedings in actions brought under section 25[2] of the Act of March 4, 1909, entitled "An Act to amend and consolidate the acts respecting copyright," including proceedings relating to the perfecting of appeals, shall be governed by the Rules of Civil Procedure, insofar as they are not inconsistent with these rules.

[2. Rescinded]

3.

Upon the institution of any action, suit or proceeding, or at any time thereafter, and before the entry of final judgment or decree therein, the plaintiff or complainant, or his authorized agent or attorney, may file with the clerk of any court given jurisdiction under section 34[2] of the Act of March 4, 1909, an affidavit stating upon the best of his knowledge, information and belief, the number and location, as near as may be, of the alleged infringing copies,

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[1] 214 U. S. 533 (1909), as amended by 307 U. S. 652 (1939).

[2] Historical note: Sections 25 and 34 of the Act of March 4, 1909, as amended, later became sections 101 and 110, respectively, of Title 17 of the United States Code by the Act of July 30, 1947 (61 Stat. 652). Sections 101 (f) and 110 were repealed by the Act of June 26, 1948 (62 Stat. 869).

records, plates, molds, matrices, etc., or other means for making the copies alleged to infringe the copyright, and the value of the same, and with such affidavit shall file with the clerk a bond executed by at least two sureties and approved by the court or a commissioner thereof.

4.

Such bond shall bind the sureties in a specified sum, to be fixed by the court, but not less than twice the reasonable value of such infringing copies, plates, records, molds, matrices, or other means for making such infringing copies, and be conditioned for the prompt prosecution of the action, suit or proceeding; for the return of said articles to the defendant, if they or any of them are adjudged not to be infringements, or if the action abates, or is discontinued before they are returned to the defendant; and for the payment to the defendant of any damages which the court may award to him against the plaintiff or complainant. Upon the filing of said affidavit and bond, and the approval of said bond, the clerk shall issue a writ directed to the marshal of the district where the said infringing copies, plates, records, molds, matrices, etc., or other means of making such infringing copies shall be stated in said affidavit to be located, and generally to any marshal of the United States, directing the said marshal to forthwith seize and hold the same subject to the order of the court issuing said writ, or of the court of the district in which the seizure shall be made.

5.

The marshall shall seize said articles or any smaller or larger part thereof he may then or thereafter find, using such force as may be reasonably necessary in the premises, and serve on the defendant a copy of the affidavit, writ and bond by delivering the same to him personally, if he can be found within the district, or if he cannot be found,

to his agent, if any, or to the person from whose possession the articles are taken, or if the owner, agent, or such person cannot be found within the district, by leaving said copy at the usual place of abode of such owner or agent, with a person of suitable age and discretion, or at the place where said articles are found, and shall make immediate return of such seizure, or attempted seizure, to the court. He shall also attach to said articles a tag or label stating the fact of such seizure and warning all persons from in any manner interfering therewith.

6.

A marshal who has seized alleged infringing articles, shall retain them in his possession, keeping them in a secure place, subject to the order of the court.

7.

Within three days after the articles are seized, and a copy of the affidavit, writ and bond are served as hereinbefore provided, the defendant shall serve upon the clerk a notice that he excepts to the amount of the penalty of the bond, or to the sureties of the plaintiff or complainant, or both, otherwise he shall be deemed to have waived all objection to the amount of the penalty of the bond and the sufficiency of the sureties thereon. If the court sustain the exceptions it may order a new bond to be executed by the plaintiff or complainant, or in default thereof within a time to be named by the court, the property to be returned to the defendant.

8.

Within ten days after service of such notice, the attorney of the plaintiff or complainant shall serve upon the defendant or his attorney a notice of the justification of the sureties, and said sureties shall justify before the court or a judge thereof at the time therein stated.

9.

The defendant, if he does not except to the amount of the penalty of the bond or the sufficiency of the sureties of the plaintiff or complainant, may make application to the court for the return to him of the articles seized, upon filing an affidavit stating all material facts and circumstances tending to show that the articles seized are not infringing copies, records, plates, molds, matrices, or means for making the copies alleged to infringe the copyright.

10.

Thereupon the court in its discretion, after such hearing as it may direct, may order such return upon the filing by the defendant of a bond executed by at least two sureties, binding them in a specified sum to be fixed in the discretion of the court, and conditioned for the delivery of said specified articles to abide the order of the court. The plaintiff or complainant may require such sureties to justify within ten days of the filing of such bond.

11.

Upon the granting of such application and the justification of the sureties on the bond, the marshal shall immediately deliver the articles seized to the defendant.

12.

Any service required to be performed by any marshal may be performed by any deputy of such marshal.

13.

For services in cases arising under this section, the marshal shall be entitled to the same fees as are allowed for similar services in other cases.

APPENDIX 3

Shaab v. Kleindienst, Civil Action No. 11-72 (D.D.C. 1972), Unreported Memorandum Opinion (Fahy, C.J., Corcoran, Green, D.J.'s), dated June 7, 1972

This three-judge court was convened pursuant to plaintiff's application under 28 U.S.C. §§ 2282 and 2284.

This is a suit to enjoin the Attorney General, as the official charged with enforcing the criminal provisions of the Copyright Act; and the Librarian of Congress, as the official responsible for administration of the Copyright Office, from implementing and enforcing the provisions of P.L. 92-140, 85 Stat. 391, approved October 15, 1971, which establish copyright protection for sound recordings. Plaintiff contends that sound recordings do not qualify as writings of an author which may be copyrighted under Article I, Section 8 of the Constitution. Plaintiff alleges further that Congress' failure to provide for compulsory licensing of those recordings which are copyrighted gives rise to an invidious discrimination against one who like himself is subject to compulsory licensing of his musical compositions. Finally, plaintiff claims that the statute is unconstitutional for vagueness.

Technical advances, unknown and unanticipated in the time of our founding fathers, are the basis for the sound recording industry. The copyright clause of the Constitution must be interpreted broadly to provide protection for this method of fixing creative works in tangible form.

Sound recording firms provide the equipment and organize the diverse talents of arrangers, performers and technicians. These activities satisfy the requirements of authorship found in the copyright clause, which point has been conceded by the plaintiff at oral argument.

The 1909 revision of the copyright clause contains a compulsory licensing provision with respect to copyrighted musical compositions. There is no such provision in 92-140. The Court finds this distinction between the two provisions

is rational and reasonable. The provision for compulsory licensing of copyrighted musical compositions promotes the arts by permitting numerous artistic interpretations of a single written composition.

If Congress in 92-140 had extended the compulsory licensing provisions to call for licensing of companies that wish to make and sell identical versions of the recorded compositions, these public benefits would not result. Consumer choices would not be broadened since identical interpretations would be supplied first by the originator and later by the licensee. Equally important, competition and the creative aspects of the industry would be impaired since established recording firms would be discouraged from investing in new arrangements and performers, if they were compelled to license their successful interpretations to those desiring to take advantage of the originator's initiative and to add nothing themselves.

The purpose of Public Law 92-140 is to provide a limited copyright in sound recordings to protect against unauthorized duplication and "piracy." The specific language in the bill is designed to carry out that purpose. Accordingly, the argument that the legislation is ambiguous is without merit.

For the foregoing reasons, it is by the Court, this 7th day of June 1972,

ORDERED that the motion of plaintiffs for summary judgment be and the same hereby is denied; and it is

FURTHER ORDERED that the motions for defendants to dismiss complaint, or in the alternative, for judgment on the pleadings, should be and the same hereby are granted, and judgment is entered in favor of defendants with costs.

JUNE L. GREEN, D.J.

HOWARD F. CORCORAN, D.J.

CHARLES FAHY, C.J.